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he year London But

PARIS, MONDAY DECEMBER 7, 1987

# Paris Says Dollar Is Too Low

Citing 'Threat,' Balladur Seeks A Stronger EMS

Compiled by Our Staff From Dispatches PARIS - Describing the dol-"ar's decline as an "economic threat" to Europe, Finance Minister Edouard Balladur of France called Sunday for a rapid strength-ening of the European Monetary

Addressing a forum on Europe-an unity, the French minister as-serted that the U.S. currency was "obviously undervalued" and that its drop was "equivalent to American protectionism."

One measure that would bolster the EMS, a mechanism of fixed exchange rates linking eight currencies, is the adherence of "all currencies able to take part," Mr. Balladur said.

Of the 12 nations in the European Community, Britain is the most notable nonparticipant in the EMS's exchange-rate mechanism. The absence of the pound is seen as hindering the system's ability to

control fluctuations. In Basel, Switzerland, meanwhile, central bankers from the leading Western industrial nations were gathering for a monthly meeting of the Bank for International Settlements. The bankers are expected to discuss the effects of the dollar's decline as well as the risks of a global recession following the collapse of stock markets.

Mr. Balladur said the U.S. currency represented an "economic and commercial threat" to Europe because the dollar's weakness enhanced the competitiveness of nevly industrialized Asian countries, whose currencies "are all directly or indirectly" pegged to the dollar, He said that European countries must take all possible steps to avoid

\* 10.7 <u>1</u>

PAGE !

FOR MOS

CLASSIFIE

alls to the U.S.A.

See EMS, Page 15

In Bangladesh

DHAKA, Bangladesh (Reu-

ters) - President Hussain Mo-

nammed Ershad, facing strong

protest against his rule, dis-

solved parliament on Sunday,

that Lieutenant General Ershad

made the decision in accor-

dance with the Bangladeshi

constitution. It gave no other

Sources within the ruling Ja-

tiva Party had said the presi-

dent might dissolve the parlia-

ment and call fresh elections to

defuse opposition to his rule, following a series of crippling

Kurt Waldheim may be

forced to resign as presi-

dent of Austria, Vienna's

mayor implies. Page 2.

be the European Community's last chance to overhaul its fi-

nances, an official said. Page 2. Talks on Nicaragna fighting

broke down after Managua rejected a truce plan. Page 3.

E China vowed support for Prince Sihanouk and called for

Vietnamese troops to leave

lander gained the Masters tennis tournament final. Page 16.

BUSINESS/FINANCE

downgraded.

Eurobond ratings for Brazil,

Argentina and Venezuela were

■ Banco de Bilbao dropped its

hospile bid for another Spanish

bank when the stock exchange objected.

Page 13.

GENERAL NEWS

Cambodia.

SPORTS

details.

national strikes.

The brief announcement said

state television announced.



Peter Arnett of Cable News Network is led away by agents and a militiaman during a demonstration Sunday in Moscow.

# Moscow Emigration Protest Is Broken Up

By Celestine Boblen

Washington Post Service
MOSCOW — A demonstration in front of the Foreign Ministry to protest Soviet emigration policy was broken up Sunday when bands of security men carrying signs call-ing for peace and mutual understanding shoved refusenik protesters and Western journalists, in some cases disconnecting television

Peter Arnett, a correspondent for the Atlanta-based Cable News Network, was dragged from a park of protesters, whom they called at Smolensky Square and taken to a "provocateurs" and "traitors" tryat Smolensky Square and taken to a police station, where he was held for four hours. Members of his crew said their microphone cables had been yanked loose twice, and a producer for CBS said the power cable on their camera was detached

Employing a tactic used at other The refuseniks' demonstration

Parliament Shut | Of a New Price Collapse

By Youssef M. Ibrahim

New York Times Service

and adverse market conditions

have ended a period of relative sta-

bility for the Organization of Petro-

leam Exporting Countries, presenting a real possibility that the oil price collapse of 1986 is on the verge of repeating itself.

A drop in demand for OPEC oil

next year because of the global tur-

moil on stock markets is anticipat-

ed. The cartel's market share will

be further cut by a surge of new oil

exports from countries outside

OPEC, including North Yemen and Syria, and from the North Sea.

And the falling dollar, in which oil

revenues are denominated, is add-ing to pressure on oil producers to accelerate already widespread

price-cutting.
These developments will present

OPEC with enormous, perhaps in-

surmountable, odds at its year-end

meeting on Wednesday in Vienna.

time when it has all but lost its

political cohesion and the pricing

discipline it had constructed over

the past year, particularly the frag-ile entente between the two OPEC

The organization is meeting at a

PARIS - Political infighting

**OPEC Confronts Threat** 

authorities overwhelmed the unofficial protest with a hastily arranged "peace" rally in support of the Kremlin's disarmament policies and the summit meeting in

The crowd of "peace" demonstrators was heavily dominated by groups of young men, assumed to be plainclothesmen, who paid little attention to the oratory booming from a platform truck and focused instead on challenging the handful

ing to "spoil the summit." Scenes from the protest were shown later on Soviet television, and a commentator said the protesters had put their personal interests ahead of the country's.

Tacit cooperation between

OPEC's most powerful competi-tors had helped bring prices back

up from their low point and steady them at around \$18 until about

three months ago, when discount-

ing and overproduction began to take its toll.

war of nerves, and a desire by many Arab countries, led by Iraq and

See OPEC, Page 15

The entente is now replaced by a

human rights demonstrations, the was illegal since organizers did not crowd and wore placards calling apply for permission.

The refuseniks who were able to arrive before the "peace" rally were quickly drowned out by the counterdemonstration, organized by the Soviet Peace Committee.

Five busicads of official demonstrators arrived at the park, including an estimated 200 security men in plainclothes, who mingled in the

Several of the men were identified by participants as undercover officers who have broken up other Moscow demonstrations. They moved to break up any gathering

for "Peace," "A Nuclear-Free

World" and "U.S.-Soviet Talks."

by the refuseniks, forming a cordon around the group and silently jos-See MOSCOW, Page 4

# U.S. Hopes Summit Will Move Beyond INF

By Lou Cannon

and Don Oberdorfer

Washington Post Service
WASHINGTON — Administration officials said Sunday that
the summit meeting this week between President Ronald Reagan and the Soviet leader, Mikhail S. Gorbachev, could create momentum for an agreement on deep cuts in strategic nuclear arsenals and toward resolving the war in Af-ghanistan and other issues.

U.S. officials are particularly op timistic about the possibility that the three days of talks will produce progress toward a strategic treaty that Mr. Reagan and Mr. Gorbachev have said they would like to sign in Moscow next year. They emphasized, however, that that such an agreement was not assured.

The two leaders are scheduled to sign a treaty limiting intermediate nuclear forces Tuesday, the first day of their summit meeting.

One official said the object was "to settle as much as you can and simplify things so that the two leaders can issue instructions to negoti-ators, so that you can get a treaty in the first half of 1988."

The White House chief of staff, Howard H. Baker Jr., said in an interview that it was "conceivable. although it would be difficult" that a strategic arms treaty could be meeting leading to fundamental completed in time to gain Senate political obstacles that any accord likely to face in a presidential

Secretary of State George P. In the United States, a basic im-

#### Related Articles

■ Moscow hints at a new flexibility on SDI tests. Page 5. Negotiators in Vienna end a fruitless round in talks on Central Europe troops. Page 5. ■ Summit commentaries from William Safire, Flora Lewis, Anthony Lewis and Selig S. Harrison. Opinion, Page 6.

Shultz said in a separate interview that the United States would push for further progress on its broad agenda of human rights, arms con-trol, regional issues and bilateral accords if the Washington summit meeting ends on a positive note.

Mr. Shultz said there was "a

sense of a certain amount of motion" with respect to Afghanistan and other regional conflicts such as military budgets of the superpow-Cambodia and southern Africa ers and their allies alike. "that have been on dead center for quite a while."

in its final year, would seek to resolve as many as possible of the disputes in the Third World, which in the past have been major impediments to long-term improvement in U.S.-Soviet relations.

gains in relations between the Soviratification next year despite the et Union and the United States could bring major changes in the world and in the internal policies and politics of both countries.

could bring political realignments, especially to the disadvantage of the conservative Republican constituency that until now has been Mr. Reagan's most committed and

loyal base of support.

Deep cuts in U.S. and Soviet strategic nuclear arsenals could give Washington and Moscow greater leverage to oppose the acquisition of atomic weapons by other nations

Such cuts could also provide a solid basis for the talks on reductions in conventional forces from the Atlantic to the Urals that are expected to begin between the North Atlantic Treaty Organiza-tion and the Warsaw Pact nations next spring or summer.

Reductions in conventional forces, much more than cuts in nuclear weapons, could bring economically important savings in the

If the Soviet Union should actually withdraw its troops from Af-He said that the administration, ghanistan, as it is increasingly indicating it will, it would likely bring extensive improvement in Soviet relationships with the Islamic world, according to Michael H. Ar-macost, the U.S. undersecretary of state for political affairs.

Along with a resolution of the war in Cambodia, this could fundamentally improve Soviet relations with China and other powers of the increasingly important region of East Asia, Mr. Armacost said.

Whether the summit meeting de-See SUMMIT, Page 4

### Kissinger on Gorbachev: No Risks On the eve of the Washington sum-it. Henry A. Kissinger, the former to that doctrine on ABM, increasing the can get benefits while he is gaining time. I

mit, Henry A. Kissinger, the former U.S. secretary of state, discussed the meeting's likely outcome and its international implications with the International Herâld Tribune's political correspondent, Joseph Fitchett.

Q: What results do you expect from the

A: INF [the intermediate range nuclear forces treatyl is done, although its exact terms have not yet been made public, and I expect that they will make very big progress toward 50 percent reductions in strategic weapons. This will include a framework agreement on the Strategic Defense Initiative, so that President Reagan doesn't have to give it up, but will in effect postpone it for a long time.

Q: Are you implying a risk that SDI could be snared by Soviet disarmament

Gorbachev will make a unilateral state- out in order to weaken the Western alliment asserting the narrow interpretation of the Anti-Ballistic Missile treaty. He will out what price he had to pay to get five

pressure in Congress in that direction. The effect of a 10-year moratorium on real testing is that you won't have anything to deploy after that time. So President Rea-

#### MONDAY Q&A

gan can abandon SDI or at least postpone it for a long time, without formally giving it

O: You've said elsewhere that previous Soviet leaders rarely s to negotiate alone with their U.S. counterparts. Now it seems to be the other way around, and Mr. Gorbachev apparently relishes springing initiatives. How does he

operate as a negotiator?

A: He's much different from any Russian I've ever known. I haven't negotiated with him but clearly he's clever and he's diplomacy at the summit? tough and be's still pursuing the aim of A: It's already snared in my view. They will agree to extend the ABM treaty, and domestic affairs. I do not believe he started

don't blame him for that. From a posture initially designed to gain time, he has now found a mechanism by which he can weaken the Atlantic alliance, or thinks he can, mainly by disarmament diplomacy. That certainly strengthens his position vis-a-vis the military and the secret police, whom he needs to support him against the managers and the Communist Party, which is more committed to central planning.

Q: Is there any step Mr. Gorbachev might take at the summit that proved polit-

A: There's no risk in any of this for him, it will help him at home. The only thing that could cause trouble for him domesti-cally would be if he did something major in political relations, like cutting aid to Nicaragua, and I don't expect him to do that.

Q: Do you think that the treaty to be signed at the summit is a step toward U.S. disengagement from Europe?

A: President Reagan believes he is strengthening the position of free countries by signing this treaty and he would not See KISSINGER, Page 4



# Mention Russia, and the U.S. Heartland No Longer Sees Red

By Haynes Johnson and Claire Robertson

Washington Post Service

MASON CITY, Iowa — Bruce Weaver
knows the type, and with good reason:

He's one himself. "Definitely a salesman," he pronounced, after intently watching Mikhail S. Gorba-chev's hourlong interview on NBC last week. "That's a career I'm in and he reminded me extremely well of the president of the company I work for. This guy's a salesman. He could take on the questions,

really convince us they were doing the right

things. Definitely a salesman."

rivals, Saudi Arabia and Iran. OPEC sources and oil analysis are also alarmed by the refusal of Saudi Arabia, the world's largest oil exporter, to resume the role of market stabilizer, cutting its production to support oil prices.
This stand has repeatedly been

expressed in the past few weeks by King Fahd and his oil minister, Hisham Nazer. Mr. Nazer has warned that Sandi Arabia will see oil prices fall, rather than lose its

market share.
"It is a difficult situation, especially if some members insist on irrational behavior," a senior Arab official in the Gulf, who will be a key decision-maker at the OPEC meeting, said Saturday. The official

asked not to be identified.

Kuwait's oil minister, Sheikh Ali al-Khalifa as-Sabah, warned in a recent interview that he does not exclude the possibility of a collapse similar to the one that brought prices down to as low as \$9 a barrel

last year.

"The only good thing that can be said about OPEC's dilemma now is that adversity has always been its best ally," said Pierre Terzian, a Paris-based oil analyst and editor of Petrostrategies, an oil trade

San Francisco, whose Joe Montana set a record, and Wash-"Whenever they are staring at catastrophe, and they are doing so right now, they seem to find the political will to do something about it," he said. ington gained the National Foot-ball League playoffs. Page 17.

"I think they will find some agreement," Mr. Terzian added. "The question is, what kind of an agreement? Will it be enough to prevent the fall?"

This may be harder to fathom because of the growing Saudi-Iranian animosity.

Soviet Union is not new. It is a product of suspicion and fear born of bitter experience over many generations.

What does seem new, almost startlingly so when measured against the anti-Communist rhetoric stirring in some Washington political circles, is the way old fears and passions about Communism and the Soviet Union have receded in the traditionally conservative American heartland. They disagreements or whatever you want to call have been replaced, most notably, by fear of other "isms" from abroad: radicalism them, turn them back into a positive and

"I look forward to Gorbachev's visit The metaphor of traveling salesman is apt for the Soviet leader, who arrives in Washington on Monday for a summit great-grandfather purchased outside Matoward the Soviet Union has occurred. great-grandfather purchased outside Ma-son City in 1885, But Mr. Dean expressed a

and terrorism.

chev's trip positively. Yet they approach what he's selling with a certain caution.

Such American ambivalence toward the Soviet Union is not new. It is a product of politically moderate, middle-of-the-road solutions.

The Midwest, once the bastion of isolations and anti-Communism, has not undersolutions. But if the moderate in the conversations of changing world conditions and by far the most striking in versely affecting the United States and the striking in the united States and the striking the politically moderate, middle-of-the-road versely affecting Mason City is any guide, a subtle, complex. Soviet Union.

> 'The Russians are not as radical as the radicals we see; they're a pretty good decent friend, really.'

— Thomas Jolas, Iowa lawyer

Washington on Monday for a summan meeting with President Ronald Reagan. son City in 1885. But Mr. Dean expressed a typical cautionary note. "That Communist religion does not change overnight," he subject, residents of Mason City, population area of lowa," as residents proudly call it, religion does not change overnight," he subject, residents of Mason City, population 32,000, expressed their feelings about American-Soviet relations.

self-interest. We're in trouble economically and so are

they, people in Mason City say repeatedly. We're in a global economy, and so are they. We need trade, so do they. We need to reduce spending on armaments in order to resolve other problems, and so do they. We experienced embittering defeat against in-ferior peasant forces in Vietnam, as it seems they are in Alghanistan. Thus, conditions appear ripe for a new start between old adversaries. Let's deal.

"I have never been opposed to doing business with them, particularly in the area of food," said County Treasurer Michael Gandon, 45. "If it's good for agriculture, it's good for Iowa. If it's good for Iowa, it's good for me. So those are somewhat selfish motives on my part. I don't confuse doing

the belief that the threat of Communism First is a matter of practical economic has been supplanted by fears of radicalism, causing senseless, indiscriminate killings and terror of the kind commonplace in the Middle East.

There's a different force at work in the world today, and that force is radicalism," said Thomas E. Jolas, 55, an attorney, whose view was typical. "It bothers people a lot more than the threat of Communism. The Russians are not as radical as the radicals we see; they're a pretty good de-cent friend, really. The extremists, you see, are the people you have to fear more. They have no conscience. They're zealots. And wow, we've not seen that on the world scene like this in a long time.

"I'm talking about people like Khomeini and terrorism. It's a whole different type of political concept, very fearful, very disrup-

See IOWA, Page 4

by the Japanese government, is known officially to the Japa-nese as the Nihonjin Gakko, or Japan Peoples' School. The

name Institut Culturel Franco-

Japonais is the school's desig-

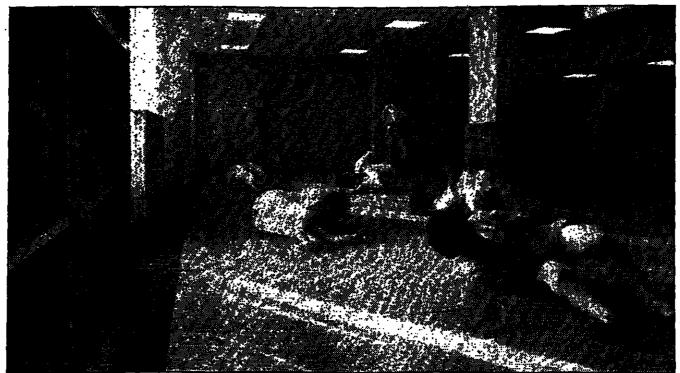
children attend French or inter-

national schools in Paris, the

Japanese school's bylaws bar non-Japanese. The Paris Nihonjin Gakko,

with 400 students enrolled in

nation under French law. While hundreds of Japanese



Students hit the mats during a judo class at the Franco-Japanese Cultural Institute near Paris.

# Japan Educators Build A Little Tokyo-sur-Seine 1973 and funded almost totally

By Charles D. Sherman

International Herald Tribune
PARIS - As the school athletics class begins, 25 girls in white sports kimono bow sharply in unison to their judo instructor. The room is decorated with children's paintings, blood-colored sunsets and misty views of Japan's Inland Sea.

Inside the surrounding classrooms more students apply themselves to a standard curriculum prescribed in Tokyo by Japan's Ministry of Education. Outside the school, the Seine wanders out of Paris toward the English Channel.

Welcome to the Franco-Japanese Cultural Institute, a junior high school, which beyond its location on the banks of the Seine in the Paris suburb of Suresnes, has almost nothing Franco about it. Welcome, that s, if you are Japanese. The school, established in

primary and junior high classes, is one of seven public Japanese schools across Europe stamped from the same mold. Rome, Madrid, Athens, Düsseldorf, Frankfurt and London have Japanese schools supported by

The rapid overseas expansion of Japanese business enterprise behind the creation of the See SCHOOL, Page 4

Waldheim

May Have to

Quit, Vienna

**Mayor Hints** 

heim could be forced to resign.

doubt on his competence as presi-

sion from there," he said. Asked if the resignation question

presidency if he wished to remain.

port from him after the commission

The Justice Department has told

the panel investigating charges against Mr. Waldheim that it

because it found sufficient evi-

dence to implicate him "personal-

suggested that the panel is under-

Mr. Waldheim has consistently

The commission had asked the

Justice Department for documentation backing up its decision in April to put Mr. Waldheim on the

"watch list" of foreigners barred from entry into the United States.

The department's investigation unit would not provide the docu-

mentation, but replied to the American member of the panel,

Brigadier General James Lawton Collins, in part as follows:

was attached and in acts which

clearly constitute persecution un-

already had most of the material available to the Justice Depart-

ment, but he said he was barred from discussing the deliberations.

Ship Catches Fire,

23 Seamen Die in

**Icy Seas Off Spain** 

LA CORUNA, Spain — Twen-ty-three seaman died after fire

broke out on a freighter off north-western Spain and the crew jumped

into rough and icy seas, coast guard

sterre. Storms and high seas ham-

A spokesman for Lloyd's Ship-

der established legal precedent." General Collins said the panel

party had expected.

**U.S.** Documentation Ralph Blumenthal of The New

York Times reported earlier:

report is published.

EC, After Summit Failure, Warned of Last Chance

PARIS — Jacques Delors, president of the EC Commission, said Sunday that the European Community summit conference in Copenhagen had not been a complete failure but that an emergency meeting scheduled for February might be the last chance to overhaul the community's finances.

"In the modern world, Europe has to rely on itself," he said, calling for imaginative action by member governments to promote growth and closer monetary union in the 12-nation community. The Copenhagen meeting ended

in disagreement over the budget, especially over how soaring farm spending should be curtailed.

Mr. Delors warned that when European leaders met in Brussels in February they would have "a sec-ond, and perhaps last, chance" to

come to terms with the issues. He said future summit meetings should concentrate on the broad sweep of community and world affairs, and not become enmeshed in technical details of policy.

"It is like a large car with a small moped engine inside it," he said at a Paris symposium on European unity. "Europe is on the move, but it is not going fast enough." Former President Valery Gis-

card d'Estaing of France, who or-ganized the symposium, said that while the result of the Copenhagen meeting "should not lead to discouragement," it "sends out a signal of European impotence."

■ 1992 Efforts Damaged Earlier, James M. Markham of The New York Times reported from

The leaders' inability to agree by Saturday night on changes to ease the community's transition to a frontier-free trading bloc by 1992 was a blow to efforts to knit together a credible West European political and economic entity.

The failure of the two-day session was especially painful because was made in Copenhagen, and that subsidies that absorb 70 percent of it came on the eve of a superpower it is meant to be consummated at its budget. The leaders also failed



Jacques Delors, left, and Prime Minister Poul Schluter of Denmark at the closing EC news conference in Copenhagen.

about the course of the world econ-

What we see is the image of a sult." Mrs. Thatcher said. Europe that is absent while others will decide the future of the world," declared President François Mitterrand of France, alluding to the spending under control but how."

U.S.-Soviet talks this week. "The Mr. Delors had portrayed the

year 1992 is tomorrow. Prime Minister Margaret Thatcher of Britain and Chancellor ty, which will face a \$6 billion gap Helmut Kohl of West Germany in resources next year if there are stressed, however, that progress no measures to cut the agricultural

summit meeting in Washington the emergency meeting scheduled and at a time of deep uncertainty for Feb. 11 and 12 in Brussels. "A fudged agreement would have been the worst possible re-

> She said it had been a big step forward that there was now "agree-

> Mr. Delors had portrayed the Copenhagen talks as a make-orbreak milestone for the communi-

to agree on ways to raise new revenues and rechannel others to Brit-Ronald Reagan and Mikhail S. ain and Mediterranean member Gorbachev was "a milestone."

A presidential election in France next spring probably will compli-cate EC decision-making in 1988. This was one reason the leaders decided to meet in February rather than waiting for their next scheduled gathering in June.

The leaders also issued declarations on East-West relations, Afghanistan and the Middle East. They said the treaty abolishing intermediate- and shorter-range lishment of an independent transi missiles that will be signed this tional government.

Mrs. Thatcher, who will meet with the Soviet leader on Monday when he makes a brief stop on his way to Washington, had been eager for the strong EC endorsement of the missile accord in light of mounting criticism of it by U.S.

The statement on Afghanistan urged a Soviet withdrawal from that country by 1988 and the estab-

# WORLD BRIEFS

WERICANT.

Troops Leaving Angola, Pretoria Says

PRETORIA (Reuters) — South Africa said that it has begun pulling in troops out of Angola, where they have been supporting rebels in a cini war against Soviet- and Cuban-backed government forces.

South Africa's army chief, General Jannie Geldenhuys, said Sainting in a statement that no details of the withdrawal would be given because "care is being taken to ensure that the safety of our soldiers is no "care is being taken to ensure that the safety of our soldiers is not jeopardized." Last month, South Africa rejected a demand by the United

peopartized. Last mount, south Arriva rejected a demand by the United Nations Security Council that it pull its troops out of Angola.

General Geldenhuys said South Africa had always been willing to pull out if an estimated 35,000 Cuban troops also left the country or if South Africa's "interests had been secured." He said that the troops were leaving after "the successful completion of certain tasks in the interests of South Africa and South West Africa (Namibia "Namibia" Mariella VIENNA — Mayor Helmut Zilk said Sunday that Kurt Waldheim might not have the final word on remaining president of Austria if the international commission checking his war record were to cast doubt on his integrity.

"Waldheim must have the first word on the results, but that does not mean he will have the last," Mr. South Africa and South-West Africa/Namibia." Namibia, which book on southern Angola, is ruled indirectly by South Africa.

### Iranian Optimistic on Ties to France

NICOSIA (Reuters) - Prime Minister Mir Hussein Moussavi of Ira Zilk told a television interviewer. NICOSIA (Renters) — Prime minister with Hussein Moussay of his expressed optimism on Sunday that Tehran's relations with France would improve, but he said this depended on the attitude of officials in Park Speaking on the Tehran radio in a broadcast montroof or Cyprus Mr. He was the first leading politician in Austria to imply that Mr. Wald-Moussavi said Iran was willing to have equal relations with all but few countries. France and Iran broke relations in July but swappe Mr. Zilk, a prominent Socialist who is seen as a possible successor to Mr. Waldheim, said a president captive embassy officials recently to end a five-month diplomatic cost should consider resignation if his moral competence is called into

"Regarding France, we are more optimistic than before that this treat would continue," he said, adding that the future depended on France, attitude. He did not specify what Iran wanted France to do, but Chillinstice Musavi Ardebil said on Friday that he hoped France would need that the Conference of question to a degree that casts its warships from the Gulf.

#### Buthelezi Hardens Position on Talks

"If he has grounds to resign, then I expect the president to see the problems himself," Mr. Zilk said. JOHANNESBURG (AP) -- Chief Mangosuthu Buthelezi, leader of After the commission makes its rethe Zulus and one of the South Africa's most powerful black modern port and Mr. Waldheim decides called Sunday on the white-led government to drop its contention that the country's millions of blacks are divided into tribal minorities.

what action to take, "we must sit down together and take the discus-Chief Buthelezi had said in the past he would not take part in a roposed national advisory council until Nelson Mandela, the black nationalist leader, and other prominent political prisoners were free!
from prison. But in a statement Sunday, the chief toughened his is mands, saying it would be "suicidal" for him to enter negotiations as known as the resulting of the resulting the statement of the resulting of the resulting the statement of the resulting of would depend solely on Mr. Wald-heim, Mr. Zilk said he believed not. He did not spell out how Mr. Waldas the government "refused to deal with the reality of a black majority heim might be removed from the

#### Afghan Rebel in Bid to End Conflict

The Chicago Sun-Times newspa-per said Sunday that Foreign Min-ister Alois Mock, until now a staunch backer of Mr. Waldheim, PESHAWAR, Pakistan (AP) — A leader of an anti-communist Mas-lem rebel group has offered a plan for the withdrawal of Soviet troops from Afghanistan, including their free passage and amnesty to supporter

told U.S. and British officials that his conservative Austrian People's Party would force the president's of the Kabul government.

Gulbuddin Hekmatyar, leader of the Hezb-i Islami, said Saturday that the first stage should be establishment of an impartial government acceptable to all guerrilla groups, which would supervise the withdrawn of the Soviet forces. He did not spell out the type of government by rejected Kabul's offer of a coalition government under former the king. Mohammed Zahir Shah, In June, the exiled king also rejected the offer. Once a government is installed, the Soviet forces would "leave their resignation by withdrawing sup-

positions and come to a few specified bases" from where the withdrawn would be orchestrated. Mr. Hekmatyar said. He said the Soviet troop would be "guaranteed free passage and a general amnesty would be give to all supporters of the Soviets who are removeful of their past actions."

#### Alfonsin Sees Shift in U.S. Latin Policy barred him from the United States

BUENOS AIRES (AP) — President Raul Alfonsin described Arga tine relations with the United States as mature and said that Washingin ly" in wartime persecutions, ac-cording to those who have seen the no longer believes that U.S. security in Latin America depends in authoritarian rulers.

But Mr. Alfonsin criticized U.S. support for Nicaraguan rebels as said that the U.S. position is "highly inconvenient for the search fe Recent reports from Vienna have peace" in Central America. taking a more comprehensive in-quiry than some in Mr. Waldheim's

Mr. Alfonsin said Saturday at a press conference that U.S. attitude toward Latin America had changed. The United States, he said, "he demonstrated its willingness to support the democracies."

#### denied any involvement in killings and deportations of Jews and other For the Record

The body of a Syrian soldier, shot eight times, was found Sunday West Beirut, the police said. Syrian troops have come under repeat attack since Damascus sent 7,000 soldiers into West Beirut last Februa

Gunnen in Colombia killed Rafael Cardona Salazar, who was cons ered a key member of the drug ring that refines and ships most of the cocaine consumed in the United States, police in Bogotá said.

# TRAVEL UPDATE

#### West European Air Fares May Drop will Rejecte

"It has been suggested that the U.S. action resulted from the fact that Kurt Waldheim was in the BRUSSELS (Reuters) - Western Europe's high air fares may st falling early next year if European Community officials win approval. Monday of a landmark European Community deal on airline compe [[] [[]]] area where crimes and acts of per-

secution took place and that mere Settlement of an British-Spanish dispute over Gibraltar airport proximity to such activities war-Thursday, officials said, meant there were no more impediments to t ranted a watch list decision. That formal adoption by community transport ministers, of fare-cut measure simply is not the case and we have at a meeting in Brussels. They are expected to set a starting date for I

"On the contrary, the findings are that there is sufficient evidence The measures will cut national government power to restrict competion between scheduled airlines. This is expected to give carriers great to implicate Mr. Waldheim personfreedom to fix prices and expand their share of business on routes shar with rivals. Smaller airlines will be allowed to compete with establish ally and in conjunction with the carriers on the busiest routes, and open up new services as well. small functional units to which he

> Alitaia and Afi canceled 75 flights scheduled for Monday, Tuesday Wednesday and warned of the possibility of other travel disrupts resulting from surprise walkouts. The move followed a 24-hour strike ground personnel at Italian airports that caused cancellation or dela most international and domestic flights Sunday.

### This Week's Holidays

Banking and government offices will be closed or services curtailed the following countries and their dependencies this week because national and religious holidays:

MONDAY: Ivory Coast, Thailand, Venezuela

TUESDAY: Andorra, Argentina, Austria, Brazil, Chile, Colombia, Costa K Guam, Italy, Liechtenstein, Macao, Monaco, Nicaragna, Panama, Paragnay, Pe Portugal, San Marino, Seychelles, Spain, Vancan City. WEDNESDAY: Tanzania

THURSDAY: Angola, Thailan SATURDAY: Kenya, Mauritania, Mexico

Source: Morgan Guaranty Trust Co., I

## **DOONESBURY**

SUNDAY: Malta.



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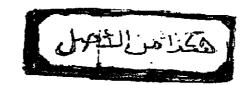


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# **AMERICAN TOPICS**

Organic Farming

**Helps Slow Erosion** Experiments in southeastern Washington state show that organic farming — the use of nat-ural fertilizers — curbs erosion, as well as saves groundwater from the toxic effects of chemical pesticides and herbicides and artificial fertilizers, accord-

ing to Nature magazine.

Experts at Washington State University found that the top-soil on Don Lambert's farm was about 24 inches (60 centimeters) thick, or six to 10 inches thicker than the soil on the adjacent farm, which uses chemi-cals. Rolling hills and fine-grained soil make the area particularly prone to erosion.

The earth on the Lambert

c on Ties to Frag

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Bid to End Confe

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يتوزد زيمت ا

هند و در در اکتابات بر انجابات در موسون

farm was found rich in organic materials, which help bind the soil and retain moisture. Crops are rotated, so that grass crops, with no erosion, are grown on land used the previous year for erosion-prone row crops.

Mr. Lambert says he has no regrets about sticking with organic farming in the chemical revolution of the 1950s. For one thing, he said, "my neighbor down the road has a \$30,000 fertilizer bill."

#### Former CIA Agents Assail Covert Action

A group of former Central Intelligence Agency executives, analysts and operatives has established the Association for Responsible Dissent to campaign for an end to covert action by the U.S. government. "Seven presidents since World War II have watched their administrations utterly destroyed or deeply embarrassed and the country discredited by covert action," said the group's execu-tive director, John Stockwell, who ran covert CIA operations in the Angolan civil war in

"We are going to try to expose covert action," said Philip C. Roettinger, a former case officer who helped to overthrow President Jacobo Guzmán Arbenz of Guatemala in 1954. We're going to try to get it legally banned because we can find no reason, no justification"

Asked what the agency's reaction to the organization might be, Mr. Stockwell replied, "My guess is that they have been wondering for 10 years why we've been so slow in get-

ting organized."

Would the group be dismissed as a "bunch of crackpots?" Mr. Stockwell said: "No. sir. We're distinguished citizens, doctors, lawyers and atwe earned risking our lives defending the country."

#### Short Takes

A man whose pit buil terrier killed a 2-year-old boy has been charged with second-degree murder in Santa Clara County, California. Alan Nudelman, a deputy district attorney, said the dog had been trained to light and was tethered in an area "where a small child would have access to it." Murder requires a showing of malice. Manslaughter does not. Mr. Nudelman said the prosecution would argue that the actions of the dog's owner, Michael P. Berry, meet the legal definition of malice in that he acted with "wanton disregard for the consequences." A local human society spokesman said that if the charges stick, Mr. Berry would become the first person in the country convicted of murder

Millicent Brower, a reader of The New York Times, is so weary of having her mail addressed "Occupant" that she has written a poem about it: Oh merchants, hear the hum-

for a death caused by an ani-

Of a lowly occupant like me: Before my earthly years are

Please! Address my mail to

RESIDENT.
Shorter Takes: The Ambrose Light tower off Sandy Hook, New Jersey, manned for 164 years, will be run solely by computer starting in January. • Hammacher Schlemmer, the gadget emporium, is offering a ski helmet with a two-way radio for Christmas at \$449.50 and that standby for the last 25 years, the personal paper shred-der, at \$229.50.

#### Notes About People

In an interview with U.S. News & World Report, President Ronald Reagan said of his wife, Nancy: "Knowing her and being married to her is kind of like coming into a warm lire-lit room when you've been out in

When Representative Morris K. Udal of Anzona ran for the Democratic presidential nomi-nation in 1976, it was frequently said that he was "Too Funny to Be President," which is now the title of Mr. Udall's new book. He says he sees jokes as public property and operates according to the rule of the columnist Art Buchwald, which goes: "The first two times you use a joke, give your source credit. From then on, the hell with it! Be shameless -claim it

-- ARTHUR HIGBEE



Guards leading an inmate from the federal penitentiary in Atlanta after the revolt by Cuban prisoners ended.

# In Cuban Riots, a Failure of U.S. Foresight

New York Times Service
WASHINGTON — U.S. officials overlooked early signs of trou-ble and failed to take precautions that might have avoided the nots by Cuban inmates at federal facilities in Oakdale, Louisiana, and At-

Officials sent extra staff members to the Oakdale detention center and the Atlanta prison after learning that the government had signed an agreement with Cuba providing for repatriation of some of the inmates. However, they did not take addi-

tional steps that, according to experts, could have prevented the tensions that inevitably followed the signing of the agreement from escalating into a riot.
J. Michael Quinlan, the director of the Federal Bureau of Prisons,

defended the government's handling of the crisis.
"In my own judgment, I don't think it could have been avoided,"

However, a review of events leading up to the riots suggests that government decisions and policies contributed to the problems that led to the violence. The riots began Nov. 21, with the taking of hos-

## **Engine Falls Off** Boeing 737 on Flight to Boston

PHILADELPHIA - One engine fell off a Boeing 737 five min-utes after takeoff Saturday on a USAir flight to Boston, but the plane returned safely to Philadel-phia 19 minutes after it left, officials said. No injuries were report-ed on the ground or in the plane. The pilot learned from a cockpit

instrument that he had no power from the right wing-mounted engine of the two-engine plane and immediately turned back, said a USAir spokesman. The engine dropped 5,000 feet (1,520 meters) "We have made suggestions to into a farm field in Deptford improve this proposal," he said.

Township, New Jersey.

The 20-foot-long Pratt & Whitney engine, weighing about 4,500 pounds (2,045 kilograms), made a hole two feet deep. The spot where it fell was 155 feet from a house and

A passenger, Kelly Coville of Massachusetts, said that people sitthat point from the comprehensive ting on the right side of the plane and global issues. But, if we have saw the engine drop off and that democracy in Nicaragua, there will the plane swayed from side to side.

After the engine fell, the five crew members told passengers to cord requires the governments in the region to negotiate cease-fires with rebel groups and to permit full democratic freedoms.

study the locations of emergency exits and how to use escape chutes in case the plane caught fire upon landing, but the pilot landed with-

THALASSA

confact Ican Lassale SA, Geneva, Tel. (022) 42.83 bit

and the rebels agreed to
in by Cardinal Obando y
hey encouraged him to ofstions, but neither agreed

The engine passed over several
houses before it landed, said a
Deptford police officer, Joseph
Hollingsworth. It was pretty bucky it didn't hit any houses," he said.

JEAN LASSALE

Interviews with dozens of U.S. officials, former hostages and relatives of the Cuban inmates yielded

 Cuban inmates were almost the repatriation successful in their effort to break Cuban emigres. out of the Oakdale facility when the rioting began. They were thwarted by a quick-witted immi-gration officer who threw gas grenades into the compound to keep the Justice Department had had two weeks notice of the repatriainmates away from fences sur-

After the rioting began at Oak-dale, prison officials in Atlanta considered but rejected extra pre-

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**SUATEMALA CITY** HARARE

BARCELONA

deported.

they had not been told that U.S.

diplomats were about to sign an

the repatriation of more than 2,500

tages and setting of fires at the Oakdale facility.

Guards in Atlanta picked up could have imposed restrictions on the second group and confined immates heard about the Oakdale them to their cells or to one unit of uprising from television reports, the prison, where correctional offi-

achieve their principal goal: an as-surance that they could remain in In all, prison officials were unable to prepare for the riots because the United States.

But they won a moratorium on deportations, the right to parole hearings and a large measure of public attention, which had largely agreement with Cuba providing for eluded them in more than five years of court battles.

Anthony P. Travisono, the exec-Even after the Atlanta hostages utive director of the American Corwere released on Friday, Attorney rectional Association, said that if General Edwin Meese 3d and Mr. Quinlan refused to answer ques-tions about how the riots might tion agreement, it could have sepahave been prevented. Mr. Meese said U.S. officials would discuss rated people who would be allowed to remain in the United States from such questions this week as part of violent offenders who were to be "a general critique of the whole simation at both Oakdale and At-

# Haiti Junta Is Assailed As Strike Call Spreads

By Howard W. French

PORT-AU-PRINCE, Haiti Three leading Haltian presidential candidates joined calls for a general strike beginning Monday to pro-test the suspension of violent national elections and one of them urged the military-dominated gov-

ernment to resign.
One of the candidates, Louis Deie 2d, urged Haitians to observe Monday as "a day of mourning and reflection" and the beginning of an unlimited national strike if a number of conditions were not met.

Mr. Dejoie joined another candi-date, Sylvio C. Claude, and a major labor group in calling for the resignation of the provisional govern-

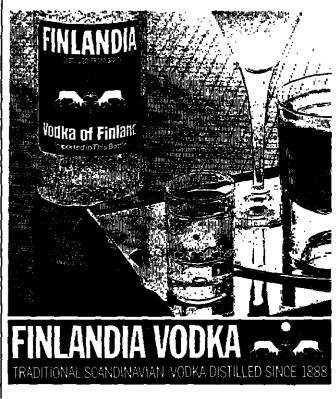
In a joint strike message, the parties of two other leading candidates, Gérard Gourgue and Marc Bazin, called for a two-day protest against "crimes against the Provisional Electoral Council, Haitian families, foreign citizens and the national honor.

lowed similar appeals by three important labor groups and Mr.

They increase the likelihood of confrontation between the govern-ment and political groups that have urged the reinstatement of the dissolved electoral council and an end to violence by people who are thought to operate with the collu-

sion of the armed forces. The elections were canceled Nov. 29 after at least 34 persons were killed. The council's nine members were dismissed by the government and accused of placing themselves above the law and allowing foreign influence over the

At his news conference, Mr. Dejoie said the government must reinstate the electoral council mem-bers. He suggested that once its members were reinstated they could be asked to step down in favor of new nominees from civic and religious groups.



# Managua Rejects Plan By Cardinal for a Truce

New York Times Service SANTO DOMINGO, Domini-

can Republic — Talks between
Nicaraguan guerrillas and government representatives have broken

"We have made suggestiment representatives have broken improve this proposal," he says down after the Sandinist delegation fused to accept a proposal from the mediator, the Roman Catholic pri-

general amnesty, end restrictions on press freedom and lift a state of emergency decree that has been in effect for almost six years. The guerrillas accepted the proposal which was similar to plans they had offered in the past. But

the head of the Sandinist delegation, Deputy Foreign Minister Victor Hugo Tinoco, said Friday that the proposal was incomplete. He said it would be acceptable

"I would say we are at a dead point," Cardinal Obando y Bravo said after the round of talks ended.

He called on President Daniel Ortega Saavedra to open direct talks with the rebels instead of insisting that they be held through an intermediary.

Mr. Tinoco rejected that idea, proposing that another round of indirect talks be held in the Dominican Republic beginning Dec. 17.

He said progress would be slow
and difficult because of what he
described as behind-the-scenes ma-

nipulation of the rebels by the Reagan administration. Mr. Timoco called the rebel delegation a "mercenary representation of the Unit-

ed States government."
"One of the fundamental parties in this conflict is not sitting at the table, and that is the United States," Mr. Timoco said. He de-



good step," and denied that the Nicaraguan government had reject-

"fully endorse the cardinal's pro-

Cardinal Miguel Obando y Brave This was a missed opportunity of feet deep. The This was a missed opportunity of feet from a road.

This was a missed opportunity it fell was 155 feet from a road.

A passenger Kelly

The Central American peace ac-

scribed the talks as "a first and

A spokesman for the guernilas, Bosco Matamoros, said the rebels

only about a cease-fire, separating be no need for military struggle."

Last month, the Nicaraguan gov- out incident.

ernment and the rebels agreed to only if it were expanded to include an end to all outside support for the to be bound by them.

The ultimate chronograph

inmate and the seizure of more than 120 hostages, as well as millions of dollars of damage to government property and anguish for relatives of prison workers and Cu
The Cuban inmates did not achieve their principal goal: an asban detainees.

these insights into the crisis:

rounding the detention center.

cautions to prevent an uprising

The government, he said, then

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# Iran Raiders **Set Tanker** Afire in Gulf, Kill Sailor

By John Kifner New York Times Service CAIRO — Iranian gunboats raided two tankers Sunday, setting one ablaze and killing at least one crewman on the other.

The Singapore-registered tanker Norman Atlantic, loaded with potentially explosive naphtha, reported a fire out of control after it was bombarded with rocket-propelled grenades off the Oman coast as it sailed toward the Strait of Hormuz, the entrance to the Gulf.

Earlier, Iranian Revolutionary Guards on a speedboat had fired a half-dozen rocket-propelled grenades - normally used against tanks — at the Danish-registered tanker Estelle Maersk off Dubai in the United Arab Emirates, One crewman was killed and another

Meanwhile, Iraq admitted that it had bombed an island belonging to Saudi Arabia, its supporter, by mis-

Air Marshal Hameed Sha'ban, issued a profuse apology to "our dear brothers in Saudi Arabia."

"A bomb was dropped from one of our airplanes due to a naviga-tional mistake and fell on Saudi in the eight hours of scheduled Arabian Arabi island at 1:29 P.M. while Iraqi warplanes were carrying out their duty over the Arab Gulf on Friday," his statement

The Saudi Arabian island lies about 25 miles (40 kilometers) south of Iran's Farsi Island, where ments at the Reykjavík meeting in Revolutionary Guards have a October 1986. "Gorbachev and

speedboat base. agency said that Baghdad and Riyadh had discussed the incident and "both countries consider the

Saudi Arabia denied that any of its soldiers had been killed in the the Soviet leader on regional and accidental bombing.

The Iranian gunboat attacks followed two Iraqi attacks last week on ships carrying Iranian oil on the eastern side of the Gulf.

The attack on the Danish ship, carrying a full load of Saudi crude, came early in the morning.

A rescue helicopter crashed while landing on the vessel to evacuate the wounded. One of the injured sailors, who had lost a leg, died because he could not be evacuated swiftly enough by launch.

There were fears that the Norman Atlantic, which had loaded its cargo in Kuwait, might blow up. Omani coast guard launches took the crew off the ship, which was listing heavily to starboard, and salvage tugs were heading toward

#### Peru Reports Flood Deaths

United Press International slide, caused by torrential rains, would be approved without have partially destroyed the town "amendments or reservations" that Perene River at the edge of the Soviet Union for agreement. Amazon basin in central Peru, with Privately, some senior of



The tanker Norman Atlantic after it was attacked Sunday by an Iranian gumboat in the Gulf.

## tke. The Iraqi air force commander. SUMMIT: U.S. Looks Beyond INF KISSINGER:

velops the momentum foreseen by some administration officials is in the eight hours of scheduled talks. About a third of this time is expected to be spent in private conversation between Mr. Reagan and Dole. Mr. Gorbachev.

"There are sure to be some surprises," said one official, harking back to the unexpected developother Soviet officials have come to The official Saudi Arabian press every high-level meeting with progency said that Baghdad and Riposals that have gone well beyond way for a treaty that could be comtheir previous positions."

Mr. Reagan is prepared to deal seriously with any Gorbachev pro- pursuing that goal posal and is also prepared to press Reagan Pledge human rights issues, officials said.

"The president believes he can talk to this Soviet leader," said a White House official. "He feels they have a relationship.

The administration has clashed in recent days with Republican conservatives who were angered by Mr. Reagan's attempt to make the treaty on medium-range and shorter-range missiles a test of personal and party loyalty.

Mr. Reagan last week described those who oppose the treaty as "ignorant" and said it reflects the view of those who "basically down in their deepest thoughts have accepted that war is inevitable.

Both Mr. Shultz and Mr. Baker said in television appearances Sunday that the president's remarks were not directed at Bob Dole, Republican of Kansas and the Senate minority leader, who has said the from enough." treaty should be examined careful-

But Mr. Baker said it also was Earthquake in Western Iran LIMA - Floods and a mud the president's hope that the treaty

#### months as Republicans decide on their 1988 presidential candidate. But these officials expect most Republicans to be in Mr. Reagan's corner if the GOP nominee is, as

No Risk for Soviets

(Continued from Page 1)

knowingly abandon Europe. But

the treaty is a matter vital to Euro-

pean security negotiated without

Europe's participation, a circum-

stance due in part to Europe's abdi-

cation from its own defense. In the

next phase, two steps are required:

a trans-Atlantic agreement on the

elements of defense and a trans-

Atlantic agreement on the content

of the next arms control stages.

Europe should organize itself for

in the United States to bring home

nuclear field any reduction of con-

ventional forces by the United

States would be politically disas-

trous and must be resisted by any

American who believes in the At-

outcome of the Washington sum-

if it emerged clearly that there are

objective causes for tension with

the Soviet Union, that there are

political problems that require res-

olution and that the disarmament

process cannot, by itself, go beyond

evoke more hope than one that pre-

tends that a phase of history has

Q: What outcome would worry

A: A renewed commitment to

the elimination of all nuclear weap-

ons. This, I believe, is impossible to

fulfill and undesirable. It plays into

the hands of those who want to

stigmatize the weapons on which

the Revkiavik summit in 1986?

During French Telethon

The Associated Press

ease, organizers said Sunday.

he's making progress.

So I would think, paradoxically,

Q: What would be the optimal

A: A positive outcome would be

Q: Will the treaty amplify calls

A: After this agreement in the

that dialogue rapidly.

troops from Europe?

lantic alliance.

mit for the West?

a certain point.

many observers expect, either Vice President George Bush or Mr. One possibility that has been discussed by U.S. officials is that Mr. Gorbachev and Mr. Reagan could reach a strategic arms accord that

would be presented to the Senate by the next president.

A White House official said Mr. pleted by his successor if he can't finish it. He's not going to stop

President Reagan vowed on Sun-

day to press Moscow to allow complete religious freedom and the unhindered right to emigrate, Reuters reported from Washington. We shall not be satisfied with he said in a statement to be

read to demonstrators who staged a rally to urge Mr. Gorbachev to allow free emigration for Soviet Jews. Rally organizers said some 200,000 people attended the rally. at the foot of Capitol Hill.

Mr. Reagan promised the dem-onstrators that he would press Mr. Gorbachev for the release of all Soviet Jews who had been denied permission to emigrate and for a relatively sober and not euphoric complete freedom of religion and outcome of the summit should cultural expression."

Mr. Reagan praised the Soviet tends leader for taking "some limited but ended. positive steps" on human rights issues. But, he added: "They are far you most?

of San Juan Übiriki, a port on the would require going back to the measuring 4.5 on the open-ended based for the foreseeable future.

LONDON - An earthquake the defense of the West must be Richter scale struck the towns of Another unfortunate outcome at least 60 people dead or missing there and in neighboring villages, the police said Sunday.

Augustarz and Doroud in western Iran, the Iranian news agency IRNA said in a report monitored in larly severe within the next few larly

# Q: Do you think that Mr. Gorbachev will press the spectacular disarmament proposals he made at

Reykjavik.

INTERNATIONAL POSITIONS You will find below a listing of job positions published last Thursday under the rubric International Positions.

iasi invisaay	Under me room m			
TITLE	SALARY	EMPLOYER		
DIRECTOR GENERAL		I.O.C.U.		
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EUROPEAN HUMAN RESOURCES MANAGER	Attractive	Aeroquip Worldwide.		
QUALIFIED EDITORIAL ASSISTANT		INSEAD.		
VP INT'L PERSONNEL	Attractive	Fortune 200 consumer products company.		
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# In China, New Suits Suit the New Policies

By Edward A. Gargan

New York Times Service BELIING - Mao was a customer. So was Zhou Enlai. Deng Xiaoping is one now, as are the Communist Party chief, Zhao Ziyang,

and the rest of China's inner circle. Tian Atong, tailor to the mighty, slipped from an envelope a glossy color photograph

a portrait of the five-member Standing Committee of the Communist Party's Politburo. He trailed a finger across the print. "I did these," he said. "I did each of these

In the middle of the group, a trim Mr. Zhao was the clear fashion plate in a subtle twobutton double-breasted blue pinstripe.

"Not bad, eh?" Mr. Tian said, his gaze lingering "It's not so wide like the British. The waist is narrower, so it looks sleeker." Mr. Tian entered into the public eye last month when Mr. Zhao, in a display of pride, flashed the red and white label of the Hongdu

Fashion Corp. inside his suit coat to foreign reporters skeptical of its local origins.

I hope you will send out a dispatch saying all my suits are made in China and look very smart," the party chief said. Mr. Tian, it was

learned, was the architect of this smartness. In Beijing, where the sartorial skirmishes of Seventh Avenue or the Rue du Faubourg-St.-Honoré seem by comparison like tepid tea, the political cut of a man is usually, though not always, apparent from the cut of his clothes. And it is Mr. Tian, owlish behind his horn-rimmed glasses, who has been called on, again and again, to cut the fabric.

The most prominent monument to his work is the pale gray, high-collared suit worn by Mao in the 30-foot (9-meter) portrait handle and the suit words. hanging over the gate to the Forbidden City. In 1937, when he was 13, he left his home in Changshu and followed his brother into a Shanghai tailor's shop.

"I wanted to learn how to be a tailor," Mr. Tian, 63, said. "My brother was a tailor, so he introduced me to a shop where I studied as an apprentice for four years."

"I worked at a British clothing shop on Nanjing Road until the Japanese came," he said. "The British people in the shop were interned and I was the only tailor left. After the war, the British came back and picked up running the shop."

After the People's Republic was founded in 1949, Mr. Tian moved to a state-owned garment factory at the other end of Naming Road. A faint echo of the swagger that put Shanghai onto the fashion map of world travelers in the 1930s and '40s remained awhile, Mr. Tian said, but it dissipated in the march of Communism.

Still, Mr. Tian retained a mastery of cloth that set him apart from other Shanghai tai-lors. That brought him to Beging to make Mao suits for the country's leaders. The first Mao suit I ever made was in 1956, when I came to Beijing," Mr. Tian said.

Though it was known formally as a Zhongshan suit, after a style popularized by Sun Yat-sen (or in Mandarin, the Chinese dialect of the north, as Son Zhongshan), the dress

adopted by Mao and his colleagues was sub-

"We took the pleats out of the pockets," he

Valuion St

Mal Drop D

Police Defen

said, transforming the garment of Chinese republicanism into the dress of Communism In those days, Mr. Tian said, everything was secret. "I never went to measure Mao personally," he said. "I didn't know him myself. His secretaries would come and tell

me what he wanted." Although nearly every official wore a Mag suit, Mr. Tian said, he made Western-style suits once in a while. But with the onslaught of the Cultural Revolution and the demnariation of everything Western, particularly in the arts and fashion, Mr. Tian was once again reduced to making Mao suits in dark or light gray — a regimen that he endured until 1980

"That year, Zhao Ziyang became prime minister," Mr. Tian said. "He was the first to get a Western suit. That first suit, well, the lapels were a bit narrow and the shoulders a

Not all the top Chinese want Western creations. "Some leaders still want Mao suits." he said. "They won't wear anything else, Li Xiannian, Peng Zhen, Deng Xiaoping."

Both Mr. Li, China's president, and Mr. Peng, the chairman of the National People's Congress, are regarded as hard-line Marxists often uncomfortable with what they see as the creeping influence of Western ideas. Mr. Deng, on the other hand, has been the primemover behind the nation's effort to cast off the shackles of traditional Communism

# IOWA: Mention Russia, and People in the Heartland No Longer See Red

#### (Continued from Page 1)

tive. Everybody knows what they do, everybody knows that that's a real threat to order. It's just indiscriminate killing, and who blew up the airplane? This sort of thing. Radicalism has come to be of the prestest concern '

Heightening this fear is the belief that the United States and the Soviet Union, despite all their military might, are vulnerable to such attacks and almost powerless to prevent them. Thus, their self-interest lies in cooperation.

This fear leads to another, apparently even more pervasive and troubling one: that world events are in danger of slipping out of

"Our weapons are useless gainst these terrorist threats," said John E. Anderegg, 39, a farmer. "So that makes you vulnerable to any of this. So no matter how much money we spend on atomic weapons or just land-based weapons or our army! - someone bent on destroying someone with a carload of dynamite is going to do great

damage to you. "Look at the speedboats in the Persian Gulf right now. We've got billion-dollar ships that are virtually defenseless against them. If they end 20 out to get a ship, they'll get

"And look at the lesson that the Russians got when that West Ger-Kremlin into Red Square. They had no idea it was coming. So if goes. They might spend the same year. didn't stop that plane. We build

high-tech weapons to protect us

# [occurred in the negotiations] at Protest Is Halted

#### (Continued from Page 1)

tling and pressing in on the crowd. When refuseniks attempted to unfurl banners - one had a picture

A: What he tried to get from us wholesale at Reykjavík, he's trying to get retail in Washington. And of Mr. Gorbachev and another the words "Let us leave for Israel" the banners were immediately seized and ripped by the plainclothesmen Lewis Raises \$32 Million

The men also actively tried to steer Western reporters and camera crews away from the refusenik protesters by holding up peace banners in front of television cameras.

Mr. Amett said late Sunday that PARIS — The comedian Jerry Lewis, bringing his muscular dys-trophy telethon to France for the he had been accused of hitting a plainclothes security officer on the first time, brought in more than \$32 head with a microphone and million in pledges to fight the dis-knocking off his fur hat. Mr. Arnett denied the complaint, signed by nine witnesses. He said that in the Antenne 2, a government-run station, gave about six hours of air melee he had pushed people aside time for the telethon. Mr. Lewis to make room for his crew. He had the help of French stars as well refused to sign the document, on the advice of a U.S. Embassy offias about 8,000 volunteers who kept track of telephoned piedges. cial, but he was released anyway.

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**ARISTOCATS** 

against their high-tech weapons. the House of Representatives ple holding favorable impressions. Where if you go back to the begin-threatened to walk out if Mr. Gordon of Mr. Gorbachev by nearly a 2-to-Where if you go back to the beginning, the bow and arrow might get

That sentiment often leads to a generalized sense of loss of control. "We've got to control our de-fense budget," Mr. Anderegg said. "it's out of control. Ecology — we're destroying too much of the world. Economically, we've got to control our deficit spending, which the defense spending adds to, which the farming subsidies add to. But they have to be controlled or

else my kids - I've got four kids the problems are just going to keep multiplying for them.

"And I think Gorbachev is sincere in wanting to eliminate this friction of the Cold War, if you want to call it that. Let's just realize

people who live a little differently politically but we're still the same people trying to survive." On the eve of the summit meetson City distinguish it from the politically charged environment of

There, Republican members of

thing for him to address the Con- the United States than previous Sogress," said Dave Murphy, 70, a farm equipment manufacturer and was a Republican --- was violently healthy. against it, and I thought that was

In Washington, the Republican right has launched strong attacks against the proposed treaty to climinate intermediate-range nuclear forces. In Mason City, approval of the treaty, which Mr. Reagan and that we've become two nations of Mr. Gorbachev are to sign, is viewed as a step in the right direc-

The Post-ABC poll found that among those with the most favoring, some views expressed in Ma- able views of Mr. Gorbachev were Americans identifying themselves as strong Republicans.

Interviews with 1,007 adults nationally showed the American peo-ning.

bachev was permitted to address 1 majority, overwhelmingly (73 m Congress. In Mason City, people 25 percent) approving Congress at-express indignation at such tactics fording him a chance to address it. — and none more strongly than and believing (85 to 12 percent that Mr. Gorbachev is more interest.) Republicans. that Mr. Gorbachev is more integral thought it would be a fine ested in improving relations with

viet leaders. In Iowa, there appears to be no a strong supporter of Mr. Reagan. dissent from the view that stronger "One of those congressmen — he efforts at understanding would be

"I don't see this visit as being anything more than symbolic," said Robert S. Kinsey, a lawyer, who was critical of Mr. Reagan "But it's a very important symbol hopefully as a willingness to compromise. It comes at a very important time because we have a conservative administration. That's a time when we seem to be able to make inroads in international politics in a way we don't seem able when withave a liberal. Democratic administration. We have a leader of the Soviet Union who seems to want to negotiate. It's a wonderful oppormuity. It's symbolic. It's the begin-

# SCHOOL: A Tokyo-sur-Seine Offers Lessons of Home

schools. According to Japanese man boy flew his plane over the Embassy statistics, the Japanese community in France showed the fastest growth last year in Europe, that was full of dynamite, there it up 14 percent over the previous

> Nearly 14,000 Japanese are reg- other school expenses. istered with their embassy in Paris, Classes run from first grade people." compared to 8,700 five years ago. Registrations in France, Italy, West Germany, Britain and Spain now total almost 60,000.

As more families are sent overseas from Japan, they carry with them strong fears that their chil-dren will fall behind in the rigorous education process back home.

"A rather unfortunate situation prevails in our country," said Moriyuki Motono, Japan's ambassador to France. "It's the fact that competition to get into the higher strata of society depends very much on the level of the high school or university where you are graduated."

He finds the situation of his countrymen and the demands made on their children lamentable. It is a pity to see that the chil-dren who could enjoy a broad contact with a foreign scholastic environment as in the case of Paris must pursue studies in Japanese,' the ambassador said.

The principal of the Japanese school in Paris, Junichi Sano, speaks only Japanese. Assigned to Paris and paid directly by the Japanese government, Mr. Sano took up his post 18 months ago.

hand picked by Japan's Ministry of The government pays moving expenses, housing and salary for the teaching staff. Parents pay 850 francs (\$160) a month to support

ern Paris.)

prepares them with a week of orien-rather than American. tation, where the main message is to teach exactly as they would in Japan, Mr. Sano said

The chief difference between a school in Japan and the one in Paris - aside from a large French flag hanging in Mr. Sano's office — is that students in primary school must take three hours of French a week, taught by French nationals. The language requirement switches to English in junior high school.

Apart from five or six field trips to places such as Versailles and well be living in Japan. On museum

what French guides say.

For the crucial high school years,
Japanese families are likely to rethere is no substitute for university preparation. Not until recently did preparation. Not until recently did why isn't the government paying I Japan's top universities admit stu-

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Mr. Sano's assignment, like the dents who had been educated over 20 teachers at the school who are seas during their high school years Motohiko Nishimura, Japan's

Education, is limited to three years. second-ranking diplomat in... France, points to Americans in explaining this cultural divide.

American children may be open. gay and happy," he said, "but they have no distinct respect for older

primary school is located in west- he said he had little regard for melfing-pot societies. If he had to make Before sending teachers over-seas, Japan's Education Ministry his children in European fashion

Eventually, Mr. Nishimura will as he puts it, "gather my team and return to Japan."

He said the "Japanese human relationship is very solid and it based a lot on education in terms of collectivity." Dedication to team work, he feels, is harder to come by with a Western education.

With the number of Japanes families rising steadily in Paris, the Japanese school is preparing for ( major expansion. The president of the school's advisory board, Take Fontainbleau and visits to Paris fumi Kubota, finds his time in museums, the students might as creasingly divided between his work as director of the Paris offic tours, French-speaking parents go of C. Itoh, a major trading compa along to translate into Japanese ny, and leading a drive to raise 60 million france for a construction:

Mr. Kubota grumbles that the turn or send the children back to Japanese government will not for Japan to live with relatives, feeling nance more than a third of the cost "After all, if this is a state schoo-

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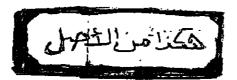
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# Soviet Union Jugo At Could Drop Demand Defense Test On Space Defense Tests

By Don Oberdorfer and R. Jeffrey Smith

WASHINGTON — The Soviet Union has suggested that it might drop its long-starding demand that the United States accept formal restrictions on space testing of a ballistic missile defense.

has suggested that the superpowers simply agree to continue adhering to the 1972 anti-ballistic missile treaty as a basis for dealing with the hotly contested strategic defense issue, without spelling out what the

Such a move would skirt the issue of what is permitted and what is prohibited under the treaty, which has been at the core of the argument between the two nations over strategic defense.

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If Mikhail S. Gorbachev offers such a position in his talks this Soviet radar equipment violates the week with President Ronald Rea- ABM treaty can be cleared up by a gan, it could ease the way for early U.S. team that will visit radar sites agreement on deep cuts in strategic, at Moscow and Gomel, north of gan, it could ease the way for early or long-range, nuclear weapons.

The first step toward nuclear cutbacks is to be taken Tuesday by Mr. Reagan and Mr. Gorbachev when they sign a treaty eliminating medium- and shorter-range missiles. They will devote much of accepted. their three-day meeting to bargaining over strategic nuclear reduc-

Mr. Gerasimov's remarks echoed other, private comments last week from visiting Soviet diplomatic officials and arms control experts who said Moscow is less womied than in the past that Mr. Reagan's Strategic Defense Initiative research plan will become a space-based defensive system against Soviet missiles.

A statement by Mr. Gorbachev on the Strategic Defense Initiative last week appeared to leave room for the position suggested by Mr. Gerasimov.

"We shall be talking about strict compliance with the ABM treaty," Mr. Gorbachev said. "The question of SDI is not a subject for the

However, the exact Soviet posi-tion on SDI research remained unclear, because a senior Soviet military arms control expert offered a formulation different from that expressed by Mr. Gerasimov and other Soviet officials in the summit

delegation who agreed with him. Colonel General Nikolai F. Chervoy, chief of the arms control section of the Soviet General Staff, said that his personal view was that the United States and the Soviet Union should solve their dispute over space defenses by agreeing to observe the ABM treaty "as it was signed and ratified in 1972."

This language has been inter-preted by the Soviet Union as refer-TOTAL SECTION ring to a restrictive or "narrow" view of the ABM treaty that would bar realistic space tests, a view that was held by the United States from 1972 until 1985. The Reagan administration has since insisted that

this traditional view is not correct. Nevertheless, Mr. Reagan grudg-ingly signed into law on Friday a bill that bars spending for tests that would violate the traditional inter-es, ending the pretation of the treaty.

U.S. officials said it was unlikely that Mr. Reagan would agree to a proposal by Mr. Gorbachev that both sides abide by the ABM treaty "as it was signed and ratified," because that is so clearly understood to be a exphemism for the restrictive interpretation.

An alternative Soviet plan, which General Chervov endorsed, calls for the two sides to agree on a list of permitted space tests.

The administration has rejected this "list proposal," and Mr. Gera-simov said that "we are not pressmg it."

Mr. Gerasimov said: "We are simply saying, let us repeat that we are going to abide by this ABM treaty, which is a good treaty, adding: "What is the point of a quarrel? There is no quarrel there."

discuss the correct interpretation of the ABM treaty, partly because Congress has already taken action to require the administration to whide by the restrictive visualization to ext year

## 3 Plotters of Coup Die in Mauritania

NOUAKCHOTT, Mauritania Three military officers were exe-cuted Sunday for plotting to overthrow the government of President Maaouya Ould Sidi Ahmed Taya. judicial sources said.

The three black officers were sentenced to death on Thursday by a state security court for conspiring to topple the Arab-dominated military junta that governs Mauritania

in October.
Lieutenant Ba Seydi, the commander of the Novakchott naval base, and Lieutenants Sarr Amadou and Sy Saidou, both members of the army staff, died before a firing squad in Nouakchott, the sources said.

## 11 Are Killed in Bus Plunge

CARACAS - Eleven persons including two children, were killed and 39 others were injured Saturday when a bus smashed into a bridge and then plummeted into a ravine about 98 miles (158 kilomelers) west of Caracas, the police

have good progress on strategic arms, this particular issue is going

to fade away."

General Chervov said, "I'm not a supporter of the narrow or of the broad interpretation," that the only reasonable approach was to interpret the treaty "as it was signed and ratified," and that lawyers and "quacks" claiming to interpret it A Soviet Foreign Ministry "quacks" claiming to interpret it spokesman, Gennadi I. Gerasimov, have only added to discord and

> The general also indicated that the Soviet Union would be flexible on other major arms control disputes, including how long the su-perpowers would agree to abide by the ABM treaty as a means of providing some assurance that missile defenses would not soon be deployed in space.

On a related issue, General Chervov said a Reagan administration accusation that movement of some Kiev, on Dec. 14 to 16 at the invitation of the Soviet Union.

A State Department official said, however, that while "the general framework for the visit is agreed," the proposal had not been formally



MARCH FOR REFUSENIKS - Tens of thousands of back Soviet Jewish emigration. The march came a day American Jews and supporters gathering Sunday on the Ellipse behind the White House before a demonstration to chev, for his meeting with President Ronald Reagan.

# Carlucci Tells Military to Cut 1989 Budgets by 10% was being taken for political as well revisions for 1989 will put in jeop-

By Richard Halloran New York Times Service

WASHINGTON - The new secretary of defense, Frank C. Carlucci, has instructed the military services to slice about \$33 billion from next year's budget, a reduction of more than 10 percent, according to Pentagon and congressional officials.

The officials said the reduction for the fiscal year 1989 had been mandated by the federal budget deficit and spending guidelines to reduce it agreed to by White House and congressional leaders.

by President Ronald Reagan.

belicopter.

berger, pointing to a threat from the unusual move by Mr. Carlucci

ation Week, Pentagon spending the services until Dec. 7 to have the services until Dec. 7 to have the services until Dec. 7 to have the services until Dec. 8 the services until Dec. 8 the services until Dec. 9 to have the services until Dec.

By Jackson Diehl

Washington Past Service . WARSAW — The Polish gov-

the presidential election campaign.

The reductions will drive the budget to be presented to Congress next winter to \$290 billion, well pelow the \$323.3 billion projected last year by Mr. Carlucci's predecessor, Caspar W. Weinberger. It also will be less than the \$296

billion just approved for the current fiscal year and signed Friday

strength of the armed forces.

The magazine, relying on memo-

randa it said were signed by Deputy Secretary Defense William H. Taft 4th, also will report in its Monday issue that other cuts may include two aircraft carriers, additional MX missiles and the new Midgetman missile for the air force, and the army's new LHX

his strategy for dealing with Congress, as well as an attempt to establish a record for Republicans in the presidential electron and the presidential electron and the personnel to build a shield against nuclear missiles, and the personnel to build a shield against nuclear ed planned 1989 spending in a two-year budget submitted to Congress the presidential electron and the personnel to build a shield against nuclear ed planned 1989 spending in a two-year budget submitted to Congress. as economic reasons and reflected array even the Reagan administra-

The Pentagon and congressional officials said the reductions might be more than required because Mr. Carlucci would prefer to have military spending shaped by the armed forces and Pentagon leaders rather than leave reductions to the unpre-

dictable mercies of Congress. In marked contrast, Mr. Wein-

recommendations to Robert W. he thought could be supported and to be adamant in defying requests from Congress that he cooperate in making cuts.

Military officers in the Pentagon and at the major commands around the country openly grum-bled in conversations not only about what they consider to be orders to make disastrons cuts but year. also about the way it is being done. Beyond that, some officers ex-

pressed the fear that the armed forces were headed back toward the days of the late 1970s, before Mr. Reagan came to office, when relatively low military budgets restricted training, flying and ship

As Missile Pact Nears, U.S.-Soviet Deadlock on **Troops Is Tight as Ever** 

By Serge Schmemann
New York Times Service
VIENNA — While Washington geared up for the drama of sum-mitry and a major arms pact, nego-tiators in Vienna wound up another fruitless round in 14 years of talks on troop reductions in Central En-rope, with Western delegations reecting Eastern efforts to end the talks with a symbolic agreement

In an address last week to the 467th plenary session of the negotiations on Mutual and Balanced Force Reduction, the chief United States delegate, Stephen Ledogar, said the Warsaw Pact's suggestion for ending the deadlocked process with a symbolic "modest agree-ment" was "a dangerous path, and the West has no intention of taking

Speaking for the Warsaw Pact, Tadeusz Strulak of Poland accused the West of "hardening the stalemate" in Vienna, and asserted that this stemmed from the "immobility of the West's position" since the last proposal was tabled in 1985.

Although the exchange of charges was a familiar ritual at the end of another round of the talks, the impending agreement on eliminating U.S. and Soviet mediumand shorter-range missiles from Europe has focused new attention on conventional arms, in which the West maintains that the East has a decided superiority. Both the United States and the

Soviet Union have hinted at new conventional arms initiatives. There have been rumors that Mikhail S. Gorbachev, the Soviet leader, may announce a unilateral troop reduction in Eastern Enrope while in Washington. The U.S. secretary of defense, Frank C. Carlucci, recently said that the North Atlantic Treaty Organization would present a proposal early next

The framework for these proposals is likely to be new negotiations to reduce troops and armaments "from the Atlantic to the Urals" that all NATO and Warsaw Pact members have been discussing since February 1986.

been running in tandem with the office announced Sunday.

troop reduction talks, with many delegates participating in both, raising the possibility that the new negotiations they produce could eventually supplant the stalled

But Western delegates have resisted Soviet-led efforts to end the troop reduction talks with a token agreement and put all efforts into

the mandate talks. Mr. Ledogar, who is also the chief U.S. delegate to the mandate talks, said that while all the governments participating in the troopreduction talks were also involved in the attempt to negotiate a mandate for new talks, "that mandate is

not yet signed and sealed."
"At present," he said, the Mutual and Balanced Force Reduction talks are "the only forum which deals with the pressing issue of conventional force reductions and lim-

The troop-reduction talks have been bogged down through most of their history in disputes over the number of troops each side has and over verification of any reductions. The proposal tabled by the West in December 1985 sought to avoid the dispute by proposing to make pre-liminary reductions and to agree on verification measures without first agreeing on total numbers.

The mandate talks, which began Feb. 16, also have hit snags on some issues. Among them is the Soviet insistence on including "dual capable" systems, or those that can fire either conventional or nuclear charges, in the mandate. The United States wants to exclude any mention of nuclear weapons from the talks.

According to the International Institute for Strategic Studies in London, NATO has 796,000 ground forces facing 995,000 Warsaw Pact troops.

## Israeli Sets Visit to London

JERUSALEM — President Chaim Herzog of Israel will meet with Queen Elizabeth II and Prime Minister Margaret Thatcher during The so-called mandate talks have a visit to London on Thursday, his



emment has announced that a radical increase in basic food prices derstand the doubts and fears planned for next year will be signifreferendum and added that each ic changes slowed because the pro-gram failed to win majority support in a national referendum last week. the first formal response of General In an address to the Sejm, the

parliament, Prime Minister Zbigniew Messner said Saturday the planned 110 percent average rise in food prices planned for next year would be phased in over a three-Plans for reducing business taxes, ending the rationing of meat, cutting the government budget def-

icit and curtailing central distribution of raw materials would also be slowed or shelved in 1988, he said. Mr. Messner insisted that the Communist leadership of General Wojciech Jaruzelski still intends to implement major economic and political reforms and considers the

results of the referendum as a manabout one-fifth were opposed and tation.

did not vote.

derstand the doubts and fears" The statement, which represents

Januzelski's leadership to the referendum results, suggested that revisions of the economic and political initiative are still being debated and would not be limited to reducing the price rises that have led to widespread public discontent and panic shopping. The prime minister did not men-

tion General Jaruzelski's political reform program, which envisions a decentralization of state power and a modest expansion of citizens' rights. Possible changes in that platform are scheduled to be considered later this month, however at a meeting of the Central Committee of the ruling Polish United Workers' Party.

Mr. Messner said authorities According to official results, be-tween 44 and 46 percent of eligible voters favored the plans, while



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# Herald Eribune.

# A Dramatic Summit

#### A Test of Prospects

Normally prudent people are suggesting a summit of dimensions that would have been dismissed as delusionary not so long ago. A good treaty eliminating whole classes of missiles will be signed. The political momentum it generates and the verification precedent it sets make possible an early approach to reducing both conventional and strategic arms — reducing the latter, says President Reagan, by a "gigantic" measure. A formula allowing each side's work on strategic defense to proceed, and without prejudice to accord on strategic offense, is being sought. Soviet spokesmen predict Soviet withdrawal from Afghanistan next year. The human rights account is active and the shape of future, expanded economic relations is under review.

The prospect with which Moscow now tantalizes the West arises in the first instance from Mikhail Gorbachev's felt requirement to tend domestic economic and social problems that were so aggravated that they could no longer be ignored. The bold reformist vision embodied in his "restructuring" program has yet to move far off paper, it has engaged the Soviet elite but not yet won the bureaucracy or rewarded the people. To pursue it effectively, however, he needs, among other things, a respite from the expensive, risky, superheated arms and Third World competitions to which his country contributed disproportionately in the past decade. The effort raises the fundamental question of whether, by intent or circumstance, the respite may lead to a new round of international confrontation or to a ettling down over a longer term.

The sense of big and exciting stakes has to be balanced against awareness of the disappointments experienced at seemingly similar moments in the past. A Soviet newspaper said the other day that "the random nature of the U.S. domestic political struggle" remains the "most difficult and permanent obstacle" to Soviet-U.S. discourse. They look at American politics and, given the nature of their own, they predictably don't get it. On their part, many Americans are skeptical of the depth and permanence of Mr. Gorbachev's apparent conversion to a more reasonable outlook. They ask whether his personal understanding of America is deep enough, and his political situation secure enough, to sustain a new course.

Undeniably, however, a moment of high drama is here. Ronald Reagan contributed to it by a policy of steadiness tempered now by an openness to accommodation - an openness that many Americans doubted he had in him. Mikhail Gorbachev undertook to look again at some Soviet notions long set in stone. These unlikely partners meet in circumstances favorable to a thoroughzoing test, over the next few days and over the next year or more, of the potential of improving Soviet-American ties.

-THE WASHINGTON POST.

#### Do This More Often

Soviet-American relations could be entering a new, productive phase. Economic problems impel both sides toward restraint in military spending and foreign adventures, and toward exploration of new possibilities — like regular summit meetings.

Ronald Reagan and Mikhail Gorbachev would do well to give their blessing to the process they have already followed in practice: institutionalization of wide-ranging sessions between their foreign ministers and other top advisers, leading to a summit meeting every 12 to 18 months.

Summit meetings have been held episodi-cally since 1955, with varied purposes and results. Critics of summitry argue that most of them achieved little or nothing and that presidents, operating in a democracy, have come under far greater pressure to make concessions. If that is right, then why hold summit meetings, and why regularize them?

It is far from clear that American leaders found themselves under more pressure than their Soviet counterparts. The acid test is whether presidents gave more than they got. Perhaps Richard Nixon settled too many strategic arms issues too quickly in Moscow in 1972 so that he could sign the SALT-1 treaty there. Otherwise the overall record looks about even. As for the future, Mr. Gorbachev seems eager for results that can free him to concentrate on domestic issues. Nor is pressure all bad. Summits force

leaders to concentrate on the issues and shake loose compromises stalled by bureaucratic infighting. That is all to the good. And if it is true that summits produce excessivepressure for success, that has a lot to do with their irregularity. Regularizing meet-

ings would deflate the circus atmosphere. Some summits brought dangerous miscalculations. These, however, were not the fault of summitry but of poor thought and preparation. Regular meetings would make the participants more familiar with the issues and with one another. American and Soviet negotiators have probably spent more time and effort jockeying over where, when and under what terms to meet than preparing for the substance of this week's meetings. Regular summits would eliminate such unproductive sparring.

If most Soviet-American summit meetings have failed to achieve concrete results, the real reason is lack of genuine common interests. If neither side has much incentive to compromise, propagandistic proposals for general and complete disarmament, for example - are inevitable. Now, however, economic difficulties and perhaps political maturity create opportunities to resolve or lessen conflicts. Mr. Reagan, in his last year of office and with his own reasons for summits, cannot commit his successor to a set schedule of meetings. But he and Mr. Gorbachev can demonstrate, in Washington and in Moscow next year, that the idea works.

-THE NEW YORK TIMES.

# The Lesson in Poland

referendum — and received an unexpected result: The government's reform proposals lost. General Jaruzelski, making the best of a difficult situation, vows to go on with modified reforms. He would get further faster if he acknowledged at last that he must bring the opposition with him.

When he made his startling proposal to go to the people with economic and political reforms, he provoked various theories about his motives. Then a few days before the vote he released jarring news: Under the proposed reforms, food prices might double, utility and rent costs triple. Perhaps, it seemed, the government actually wanted the proposals to lose. That would strengthen the government's hand in dealing with Western creditors over a \$36 billion foreign debt.

Perhaps so. Yet a different explanation for the referendum seems likelier, given Poland's history of labor violence following price increases. General Jaruzelski, compelled to make drastic economic reforms, probably hoped to demonstrate public support beforehand. He may also hope for something else. Both the outlawed labor movement Solidarity and the Catholic Church have called for fundamental re-

Democracy is unpredictable, as General forms in human rights and political free-Wojciech Jaruzelski discovered on Nov. 29. doms. Offering far less comprehensive posought to co-opt their position.

The public, offered a chance to line up behind its unpopular government, declined. A majority of those who voted approved the two measures, but only about 67 percent of eligible voters went to the polls; that meant a yes vote from less than 45 percent of eligible voters. A majority of eligible voters was required to make the measures binding.

The government deserves credit for having sought the public's opinion. It now says that it will move forward with its plans, but more slowly. Given Poland's dire economic circumstances, moving forward is indeed necessary. But the referendum teaches a lesson that would be especially helpful, if

only the government would learn it. The problem is not that the Polish public fails to appreciate the depth of the nation's problems; it sees those daily, in shortages. It also sees solutions other than those offered by the government, other avenues toward a better life. If the government is ever to come to grips with Poland's problems, it must come to grips with the idea that the opposition has a role to play. Negotiations now with Solidarity would be the way to begin. - THE NEW YORK TIMES.

#### Other Comment

**Every Country Has the Right** 

In his book "Perestroika," recently published in the West, Mikhail Gorbachev repeatedly calls for trust in international relations. He presents his country as a peaceloving, civilized and reliable partner earnestly seeking reasonable solutions to the world's problems. But the answer to Mr. Gorbachev's question as to why Moscow still encounters so much mistrust in the world might well be found in a passage from his own book which brings to mind countries like Poland or Afghanistan: "Every country has the right to choose its own friends, its system and its path to development. Unless we admit that, we will never be able to build normal international relations.

--- Neue Zürcher Zeitung (Zurich).

It has become fashionable in smart circles to seek to diminish the quite extraordinary impact which Mikhail Gorbachev has had on the world in two short years. The fact is that while everyone has been concentrating upon his "conservative" opponents back home, it is perhaps his "conservative" opponents in the West that we should worry about most.
Used for so many years to seeing the Soviet
Union in only the blackest of terms, their minds are simply not good enough to break out of an ideological time-warp. So let us say it again and say it clearly: What is happening now in the Soviet Union is nothing short of a revolution. Because of Mr. Gorbachev and his friends the world today is a better and safer place. It is in our interest to help the Russian leader, not hinder him.

- The Mail on Sunday (London).

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# **OPINION**

# A Chance to Serve Peace in Afghanistan lamabad provides for a withdrawal of Soviet forces, a termination of aid to the resistance and

WASHINGTON — The Reagan-Gorbachev VV summit meeting offers a momentous op-portunity for a breakthrough in the increasingly promising United Nations negotiations on a withdrawal of Soviet forces from Afghanistan.

The two leaders should give priority to resolving the critical issue now blocking completion of the 35-page withdrawal agreement negotiated by the UN mediator, Diego Cordovez how to bring about a stable interim government to rule during and after the projected Soviet pullout. Above all, such a compromise would require Soviet readiness to accept a secondary, or possibly even a marginal, role for Afghan Communist elements. But the United States and Pakistan, too, would have to downgrade the role of their Afghan clients.
With American acquiescence, the government
of President Mohammed Zia ul-Haq treats the
seven-party resistance alliance in Pakistan, which

is dominated by four Islamic fundamentalist groups, as the exclusive voice of non-Communist Afghans. Yet the fundamentalists represent only a minority of Afghans, most of whom practice tradi-tional forms of Islam. Surveys show that the overwhelming majority of Afghan refugees in Pakistan - 71 percent in one authoritative poll look to former King Mohammed Zahir Shah as their spokesman rather than to the feuding and in some cases corrupt alliance leaders.

Islamabad has been actively obstructing efforts by the former king's supporters to organize broad-based negotiations among Afghan factions to pave the way for an interim government. The king has rejected Commist offers from Kabul to share power, but he is ready to play a catalytic role in

BOSTON — A summit meeting that is more than cosmetic can

take place only when each side has a

strong interest in seeking accommo-

dation with the other. That is why Ronald Reagan and Mikhail Gorba-

chev are meeting in Washington, and why each can confidently expect to

gain something important.

The most significant achievement

from the viewpoint of the United

States is already clear. It is Soviet

acceptance, in the draft treaty on

short- and intermediate-range nucle-

ar missiles, of the principle that veri-

fication of arms agreements includes on-site inspection: visits by officials

of each side to the other's territory.

Acceptance of that principle is a

historic step. Only a few years ago it

eemed unthinkable that the Soviet

Union would allow American scien-

tists and military officers to inspect

missile production and deployment

sites. The agreement could point to-ward a wider easing of the morbid secrecy that the world finds such a

The missile treaty has another as-

pect with hopeful implications for

the United States. In signing it, Mr.

Gorbachev implicitly accepts the

proposition that arms control agree-

ments may be numerically asymmet-

rical, requiring the Soviet Union to

give up larger numbers of weapons.

Under the treaty, the U.S.S.R. must destroy some 3,000 nuclear warheads and America fewer than 1,000. If such

menacing Soviet characteristic.

By Selig S. Harrison

arranging and conducting "all-party" negotiations
—which would be open to all significant factions, including the Communist Party - to set up a new government dominated by non-Communists.

compromise with the Communists, calling for an

mentalist groups. But the major reason is his desire to use the Afghan conflict as a lever for obtaining continued U.S. military aid and for

ers. But some commanders who have worked with the fundamentalists, and some of the less controversial Communist leaders, might be included. While the Soviet Union officially supports

obtain Pakistani cooperation with the king's moves to organize an all-party dialogue.

The UN agreement between Kabul and Is-

monitoring by a neutral inspection force. Both the Soviet Union and the United States have

The agreement is complete except for one clause fixing the duration of the Soviet withdrawal. Moscow has linked the timetable to progress By contrast, the fundamentalists oppose any

identified with either the Communists or the fundamentalists, among them resistance command-

ower-sharing within the present government, loscow has not discouraged current United Nations keep out of "internal" Afghan affairs. American officials have long insisted on re-

and social landscape of Afghanistan, neither the Communists nor the fundamentalists would have their present artificial power and importance.

The writer is senior associate of the Carnegie Endowment for International Peace. He contributed this comment to The New York Times.

agreed to serve as guarantors.

toward an interim government. Thus, the key to a
Reagan-Gorbachev compromise would be an

agreement to support all-party negotiations and

America should pledge to push Pakistan to cooperate with initiatives to set up an all-party

dialogue. Moscow should reassure Washington

that it is prepared to see the Communist regime

replaced. Most important, the two leaders should reaffirm their acceptance of Afghan neutrality.

Such an understanding should enable Moscow to present a timetable of less than 12 months at

what is expected to be the final round of UN

negotiations in February. This would quicken the pace of UN-facilitated exchanges among

Afghan factions. But agreement on an interim regime could well be stymied by Communist or

fundamentalist intransigence unless the super-

In negotiations that reflected the real political

powers make their determination credible.

accept whatever result they produce.

unconditional Soviet withdrawal. Part of the explanation for Mr. Zia's obstruc-tion lies in his political links to Pakistani funda-

countering nuclear nonproliferation pressures.

A workable interim government would have to be built around broadly acceptable figures not

Nations efforts to facilitate broader negotiations. Previously, Moscow had insisted that the United placement of the Communist regime. But the Reagan administration has made no effort to

By Anthony Lewis asymmetry can be accepted in order to one that can hit all the major cities of the western U.S.S.R. The Pershing-2s achieve larger purposes in arms con-trol, it may be realistic to think of have always been described by Soviet agreement on reducing conventional officials as especially menacing. But the real significance of the sum-

mit meeting for Mr. Gorbachev is surely political rather than military. It lies in the commitment of the most conservative American president in memory, one who has aimed much harsh rhetoric at the Soviet Union, to the principle of arms agreements between the superpowers - and to gen-

erally better relations between them. Mr. Reagan dramatized this point himself, in the run-up to the summit meeting, by denouncing his own supporters on the extreme right who op-pose the INF agreement. "In their deepest thoughts," he said, they be-lieve "that war is inevitable... between the two superpowers."

The leaders of the far right re-

sponded by forming an Anti-Appeasement Alliance. Howard Phillips of the Conservative Caucus said: "Unfortunately, Ronald Reagan is a very weak man with a very strong wife and a strong staff. He has become a useful idiot for Kremlin propaganda."

The break between the president and those on the right who did so much to put him in office powerfully illustrates a basic truth about the U.S. political system. It cannot be run successfully from the extremes. A presi-

toward the center - even a president as ideological as Ronald Reagan.

his hope of a page in history.

General Secretary Gorbachev has just as much of a political imperative. His leadership faces restless doubts in the party and the bureaucracy, and he needs a success in Washington. Of course the interests that led to

the summit are more than personal. Opinion polls in the United States show overwhelming support for the INF treaty, among conservatives and liberals, Republicans and Democrats. In both superpowers the conviction is evidently growing that there are too many nuclear weapons and that milirary expenditure must be contained.

this meeting can be a real success only if it starts a process. Will Mr. Gorbachev act to get Soviet troops out of Afghanistan? Will he commit himself to lasting improvements in So-viet artitudes toward human rights? And will Mr. Reagan abandon his attempt to reinterpret the ABM treaty out of meaningful existence?

#### Two Men, Two Countries, One Common Interest record of accomplishment will move

The personal interest that impels him to this summit meeting is obvious. He is approaching the end of his presidency, declining in power and public regard, with no great achievement in foreign policy over seven years. In the INF agreement, and in the possibility of future agreement on a drastic cut in strategic weapons, lies

For both men and both countries

The New York Times.

# How the Hard and Soft Right Will Ally in Opposition

W terlocutor Georgi Arbatov, shunted aside as Head Flack by Valentin Falin (the Ethnic Bomber) and his Novosti aide, Gennadi Gerasimov (my look-alike), probably has some summit questions on his mind

that I am free to answer. 1. Why did Defense Secretary Caspar Weinberger choose this moment to quit? Because Ronald Reagan sided with George Shultz and Howard Baker in their acquiescence to Senator Sam Nunn's demand to interpret narrowly the ABM treaty through Octo-ber 1988. Cap was aware that the seemingly innocuous promise (not to test space defense techniques before America has any to test) is also the key concession to the Russians.

By injecting the central decision to prevent "star wars" testing into the final stages of the presidential campaign, Mr. Reagan has all but guar-anteed the continuance of the restrictions that Mr. Gorbachev seeks so eagerly. Front-runner George Bush has already announced that "peace" will be his theme, and Bob Dole might go with the prevailing breeze;

P ARIS — The United States goes first class when it picks its ene-

mies. From the North Vietnamese to

Iran's ayatollahs, it has chosen to

confront the top of the line in treach-

ery and zealoury. But it often stum-

bles in picking allies, somehow winding up with the South Vietnamese, or snuggling up to Amin Gemayel's crumbling army in Lebanon.

Despite all America's secrifices, these indigenous forces are not will.

these indigenous forces are not will-ing or able to win their own wars. The ally goes down to defeat and

destruction as Americans watch with

This troubling vision remains with me a month after my viewing of Stanley Kubrick's film "Full Metal

Jacket." He shows the South Viet-

namese as whores, pimps and desert-ers. That is, he transmits directly to

us without correction or embroidery

the vision of many of the American

soldiers who fought there, and who quickly came to the conclusion that

they were there "fighting the wrong gooks," as one of Mr. Kubrick's

characters says into the camera.

I have friends with long experience with U.S. forces in Vietnam

who reacted violently to "Platoon and what they saw as its distortions

of that experience. They do not have the same problems with "Full Metal Jacket." They seem to accept Mr. Kubrick's vision of the South Vict-

namese with equanimity. America

had the wrong people on its side.

horror or clucking tongues ...

only long shot Jack Kemp would join farewell ceremony, Moscow realized the space defense issue.

2. Why was Frank Gaffney, last of

weapons in Europe, where large Sovi-

et forces, especially of tanks, would

have to be sharply reduced to make

an agreement possible.

From the Soviet viewpoint, the

military gain to be expected from the

summit meeting is the removal from

Europe of American nuclear weap-

the Hard-Line Mohicans at the Pentagon, forced out so abruptly? Because he man who is committing suicide. was Mr. Weinberger's man on George Shultz's most recent mission to Moscow, and sent a red-hot secret communication to his boss at the Pentagon criticizing the meekness first shown in the U.S. reaction to Soviet demands that the summit meeting include a limitation on SDI testing. America's Big Ear alerted Frank Carlucci, Cap's Gaffney the door, Senators will soon ask to see the critical cable.

3. Why did the Russians appear drop the demand for resolution of the testing issue at this summit? Surely you know, Georgi — because Anatoli Do-brynin learned that Sam Nunn's lust to put Senate institutional power ahead of everything would combine with the likelihood of Mr. Bush's nomination to do the test-restricting for him. While watching the strained

Into Vietnam for American Reasons

By Jim Hoagland

sis that mocks the tragedy America visited on itself and on those it

sought to help until it decided that

they were beyond help. Shortly af-

terward, the place called South Viet-nam disappeared from the map.

Along with Mr. Kubrick, most

Americans seem to have gratefully

forgotten about the South Vietnam-

ese. The people in whose name America sacrificed lives and trea-

sure have slid into a black hole of

memory just as the point approach-

es when memory begins to harden into history. Can they scramble back out and claim a part of the

historical legacy that is becoming

the final battleground of the Ameri-can experience in Vietnam?

That question was put dramatical-

ly by a group of South Vietnamese

refugees who organized a two-day seminar in Paris last week. Funded

largely by conservative American

groups, the conference featured

some of the key American figures of decade-old policy battles — which they resumed with new vigor.

On the American side there were

as many theories about why Ameri-

ca lost the war as there were speak-

ers. By choosing the wrong strategy, or the wrong moment to cut off aid,

or the wrong year to depose Ngo Dinh Diem, America lost the war.

The propensity of the policy makers

Even packaged in Mr. Kubrick's and the generals to turn Vietnam

cold brilliance, this is a facile analy- into a giant hobby horse for their

the reason for the Weinberger surren-der. It now understands the way to handle Mr. Reagan: Never murder a

4. Does the hullabaloo on the right threaten Senate ratification of this week's treaty? Treaty opponents can count on only 15 votes, and it was assumed that they would settle for reservations on verification and progress on conventional reductions. But Mr. Reagan's blunderbuss accusation that treaty opponents were obsessed successor at Defense, who showed Mr. by the inevitability of war has made a war on the treaty inevitable.

The opposition strategy will be to take as a precedent Sam Nunn's unprecedented examination of all the files on the ABM treaty, and to require the administration to submit the entire seven-year INF negotiation record. What is sauce for the ABM-limiting goose is sauce for the INF-opposing gander; the voluminous record could then be examined for a year or two. To counter this (and to reinstate

emphasis on support for SDI at the himself in Republican ranks after his

own theories and emotions did not end on April 30, 1975. William Colby, Robert Komer and other American participants ar-gued with each other. Henry Kissin-

ger addressed the conference, gently

and gracefully responding in non sequiturs to his Vietnamese hosts,

who clearly believe that he sold them

out but who have not yet decided if they will ever forgive him.

American commentary, at times sot-

to voce and at others aloud, was that

dangerous Kubrickian notion that

America threw away what would

determined that the South Vietnam-

also dangerous politics. Americans

need to remember that their nation

went to Vietnam for its own reasons. some good ones, more of them dreadful mistakes. From 1966 to 1972 the weight of U.S. involvement turned the South Vietnamese into bit

players in their own war, whose vir-

tue or lack of it had little to do with

final U.S. decisions. Without a mili-

tary plan to win or even terminate

that phase of the war, the Umited States simply left one day.

The legacy is not one merely of America choosing the wrong friend

to light for. The record also suggests

the dangers involved for any nation that chooses as its protector an America that would disregard the

The Washington Post.

true meanings of Vietnam.

That is not only unchivalrous, it is

ese were not worth fighting for.

Running through much of the

Bork defection), Senator Arien Spec ter of Pennsylvania is preparing a resolution calling for the Senate to stop tying the president's hands with narrow interpretations of old treaties. The senator supports Abraham Sofaer's legal argument that the understanding reached between governments, not internal discussions within each govern-

ston, the anti-SDI Democratic whip. minute teasing was done on withdraw-al from Afghanistan, Because the Stinger-supplied Afghan patriots are defeating the 115,000 Soviet invaders,

of American dead in Vietnam. Mr. Gorbachev will offer a timetable for withdrawal if Washington will promise to cut off support to the freedom fighters two months after the retreat begins. Mr. Reagan should counter-offer to end military aid to the Afghan resistance on the day the last Russian leaves, and when no Soviet arms are being sent into Afghani-

ment, should be controlling.

The Specter resolution will join the lonely hard right to the soft right in support of SDI testing; that may diish the Nunn pressure, confound the Dobrynin expectation and wipe the big grin off the face of Ronald Reagan's new bedfellow, Alan Cran-5. What surprise do pundits expect from Mr. Gorbachev to upstage Mr. Reagan? At the first Ron-Gorby summit meeting in Geneva, much last-

we can expect the teasing to intensify. A summiteer admits that Soviet battle deaths reached 12,000 three years ago; we can assume that the number has doubled by now, and that the admitted figure is half the real body count.
That takes Soviet losses into the range

stan or Iran or Nicaragua. That would be a good surprise.

The New York Times.

# The Battle To Define Security By Flora Lewis

WASHINGTON - A Serious battle is building here on control agreements with Mostre, but it will not really be about what appears on the surface.

The Senate Foreign Relations Con-mittee has scheduled a month of his ings on the medium-range missile to, ty to begin in mid-lannary, which means that ratification will not one before spring. That is nearly the draiding for President Reagan to adjust the next planned treaty to cut line range missiles by half and confin follow-up summit talks in Moscow, The major problems Mr. Respe The major problems Mr. Reagn faces in trying to complete his second term in a burst of peacemaking god come not from what my colleage. William Safire (IHT, Dec. 3) calls the "distrusting disliking right" seeling to yank their favorite president back to his earlier damn-the-Russians stand Some people oppose any kind of agreement with Moscow, and they all use whatever arguments come to had to kill the treaty to be signed this wei But they are in the minority. With 1 sinking feeling of despair they are watching the approaching end of the chance to complete the "Reagan rep

Aq

lution" and make it stick. Much more important is the m ing concern of eminent and influent people who do want arms control for fear that Mr. Reagan's defense policy have left the United States incapile of achieving it without danger. The opening public shot has just one ee of them in a Washington Post article (IHT, Dec. 5) signed by Brent Scowcroft, former national accurate adviser, John Deutch, former undersecretary of energy (the department responsible for making atomic warheads), and R. James Wooksy. former undersecretary of the many

This is only the beginning
What is going on in Washington
now is a peculiar kind of negotiation among Americans via Moscow. Ar guments will be used about Sovie plans, Soviet intentions, treaty & tails, but they have little to do with the issues between the United State and the Soviet Union. They are aboua skew in American strategic poir -during the past several decades. Ser et positions serve merely as a badboard for carom shots because i players still feel inhibited from take ect aim at Mr. Reagan.

Those in the respectable, as di tinct from the knee-jerk, anti-Sori ... opposition will use the coming rati tion debate to express longer-te worries. They want to see a chang more rational American strategic sition developing in parallel with effort to diminish the absurd nucl arsenals. They fear that Presid Reagan is plunging heedlessly for second goal, without attending to

first necessary conditions.

As the Russians also concluded an important study earlier this ye they realize that reducing the level arms does not automatically enhai stability. If it is done mechanical questions of balance, it can be de bilizing and can increase rather the reduce the danger of nuclear war. In that case, what these experts

down the road is a situation wi the United States would have to pend on the improbable (betting being able to deploy effective a missile defenses) or the intoler (adopting a policy of launch ICBMs on warning alone) for its s ty. The three who have spoken put it this way: "The first approx fraught with technical uncertain the second risks accidental nuc war in case of a false alarm ...

bility at far lower levels of weapon the approach suggested in the Scowcroft commission report. In fect, it is to reverse and undo the decision made in the Kennedy adr istration to multiply the number warheads per missile — to MI This was seen as a way to main American superiority with a capall of overwhelming Soviet defenses. But the Russians caught up way, and now it is understood the results are worse than the st

The basic need for security and

and mobility are seen as the requ ments for a survivable American fense. The Pentagon has been ge in the opposite direction, despit White House promise to apply Scowcroft recommendations. It is important for the public grasp these difficult questions.

tion before MIRVs. De-MIRY

big issue is not whether Americ can trust the Russians, who s their own interests. It is when Americans can trust themselves see America's interests clearly. The New York Times.

## 100, 75 AND 50 YEARS AGO

1887: State of the Union WASHINGTON - President Gro-

ver Cleveland's message is unusually brief, and touches no subject at all except the reduction of the surplus revenue. He tells Congress that the surplus in the Treasury will reach one hundred and forty millions by next July. It is absolutely necessary to cure this evil, because industry and commerce will be ruined. He opposes the various plans of buying bonds or spending the surplus in distributing Treasury money among the banks to be loaned out. He says that if disaster results from the inaction of Congress, the responsibility must rest where it belongs. He says that our present tariff laws are the source of unnecessary taxation. He recommends a large addition to the free list and reductions in the duties on raw materials.

1912: Arms to Mexico

rifles and ammunition to the Un States consuls at Hermosillo and rango, Mexico, as the result of 19 sentations that the lives and prop of American subjects are endang-by the depredations of the rebels and Yaqui Indians. The arms will distributed mainly in mining can

1937: The Leviathan NEW YORK — The last voyage

the Leviathan will start next week skeleton crew will man the for world's largest vessel on its trip fr Hoboken, where it has lain idle two years, to England. Metal Ind tries, Ltd., a British firm, has paid United States Line \$800,000 for "white elephant of the Atlantic," will break it up for scrap, 48,900 to of it. Built 23 years ago in Germand named the Vaterland, the ve was at Hoboken when the war bn out and was interned. It was " first in trans-Atlantic service WASHINGTON — The War De- troops and later for passengers. II partment has sent a consignment of recently by the United States Lin

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United Press International
BELING — China expressed support Sunday for the Cambodian

resistance leader, Prince Norodom Sihanouk, and repeated its call for the withdrawal of Vietnamese oc-Cupation troops from the country.
But the Chinese Foreign Ministry did not comment on the talks in

France last week between the prince and Prime Minister Hun Sen of Cambodia. At the talks, the two sides signed a four-point joint com-

"China always respects and supports Prince Norodom Sihanouk's efforts to seek a fair and reasonable political settlement of the Kampuchean question," a Foreign Minis-

try spokesman said.
China is the main supplier of arms to the guerrilla forces of the U.N.-recognized tripartite coali-1 Tuon government, including the Communist Khmer Rouge, that is led by Prince Sihanouk.

In recent months there have been signs that the former ruler is growing increasingly anxious to end his exile from Cambodia, where he was deposed in 1970. He has apparently acted on several occasions without consulting Beijing.

"The Chinese side has always held that the crux of the political settlement of the Kampuchean question is for Vietnam to withdraw all its troops from Kampu-

Beijing has long described Ha-nor's Soviet-backed occupation of Cambodia as the most important obstacle to better ties with Mos-

Vietnam invaded Cambodia in 1978, ousted the Khmer Rouge regime and installed the current go-verment. Hanoi still maintains some 140,000 troops in the country.

■ Support From Vietnam Vietnam said that the agreement

tling the conflict, Reuters reported from Bangkok. In a statement received in Bang-

kok, the Vietnamese news agency VNA said the communiqué and agreement to hold a further meeting in January "constitute an initial important step leading to a process of favorable solution to the Kampuchean problem".

#### Bible Plant Opens in China

The Associated Press NANJING, China — A \$7.3

million Bible-printing plant, the first in China devoted to printing the Christian scriptures, officially opened on Saturday.



INDIA'S NEW MIGS — Defense Minister Krishna Chandra Pant in the cockpit of a Soviet built MiG-29, as a squadron of the fighters were formally added Sunday to India's air force in ceremonies in the city of Poona.

# Aquino Pleads for Peace chea as early as possible," said the Foreign Ministry statement. In Election After 9 Die

MANILA — President Corazon relatively peaceful.

C. Aquino appealed Sunday for peace in local elections next month

Marcos Inquir

after nine persons were killed in week after campaigning began. clean and peaceful election," Mrs.

scheduled for Jan. 18, and five of billionaire Adnan Khashoggi in vitheir aides, have died in separate olation of a court order. The Washincidents around the country. Au- ington Post reported, quoting

thorities believe the violence will sources familiar with the investiga-

southern island of Mindanao.

secure the volatile provinces.

At least 50 people were killed in say Mrs. Marcos was as well inlence related to the congressioHe said the couple "deny any violence related to the congressional election in May, which local wrongdoing."

and military officials described as

■ Marcos Inquiry Reported Mrs. Aquino's predecessor, Fercampaign-related violence barely a dinand E. Marcos, and his wife, Imelda, are targets of a U.S. grand "We should strive to attain a jury investigation into whether they can and peaceful election," Mrs. illegally acquired hundreds of mil-Aquino said in her weekly radio lions of dollars worth of New York real estate and fraudulently at-Four candidates in the election tempted to transfer it to the Saudi

Local elections in the Philippines The sources said the U.S. attor-have a history of violence. Filipinos ney's office in Manhattan was also describe them as affairs traditional considering a broader racketeering ly run by "guns, goons and gold." case, including claims that the Officials have recommended Marcoses illegally acquired milpostponing the election in "hot lions of dollars worth of jewelry spot" areas in one northern prov- that they took into the United ince and at least six provinces in the States when they fled the Philip-

pines in February 1986. The military has suggested that Richard A. Hibey, lawyer for the voting be held a month later in Marcoses, confirmed that Mr. Richard A. Hibey, lawyer for the those areas to give soldiers time to Marcos was a target of the grand jury in New York. He refused to

Fiji Ruled By Civilians **Once Again** 

Compiled by Our Staff From Dispatches SUVA, Fiji — Fiji returned to civilian rule Sunday following two coups in less than five months, but the structure of the government re-mained unclear except that it would be led by longtime political

Colonel Sitiveni Rabuka, the coup leader, appointed former Governor-General Ratu Sir Penaia Ganilau as president. Sir Penaia then named Ratu Sir Kamisese Mara as prime minister, returning him to the post he held for 17 years, from Fijian independence in 1970 until his election defeat in April.

The return to civilian rule was announced late Saturday in nationwide broadcasts over Radio Fiji by Colonel Rabuka and Sir Penaia. It was not known if Sir Penaia had immediately assumed complete control, or if a 22-member military council that Colonel Rabuka an pointed two months ago to run the country on an interim basis contin-

ued to hold any authority.
Colonel Rabuka said he hoped that the return to civilian government would lead to Fiji being read-mitted to the Commonwealth.

"These have been momentous times for Fiji and the link with Her Majesty the Queen has been severed." Colonel Rabuka said in a 10minute broadcast, referring to Elizabeth II. "But I have by decree today appointed Ganilau as the first president of Fiji and it is my sincere hope that he will lead a way for Fiji to progress to a point where the historic link with the crown can be re-established."

Fiji was expelled from the Commonwealth, a grouping of former British colonies, at a recent summit meeting in Vancouver.

There also was no official word on when the government would form a cabinet. Also unknown was the status of a constitution that Colonel Rabuka said he was drafting to guarantee ethnic Fijians permanent political control in a future parliament

Colonel Rabuka, who will continue as head of the armed forces, said he was stepping down as self-proclaimed head of state and head government

The prime minister. Sir Kamisese, 67, had held that post throughout Fiji's post-independence history until he was defeated in April by Timoci Bayadra. Mr. Bayadra was overthrown by Colonel Rabuka within a month of taking office.

Under the new alignment, Colonel Rabuka retains the home affairs portfolio covering the security (AP. Reuters)

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# STOP THE INF TREA

e, the signators, direct an urgent can to the ments and Parliaments of all NATO countries to prevent the realization of the Intermediate Nuclear Force (INF) treaty. What is at stake is nothing less than the political treedom of western civilization as a whole. We see the acute danger, that the ability of the West to defend itself is being irreversibly negotiated away for the sake of short term political expediencies

The removal of the intermediate range missiles in Western Europe, i.e. the Pershing 2 and 1 A, would eliminate the capability of NATO to strike deep into Soviet territory within 13 minutes, and thus remove a powerful deterrent to Soviet aggression. The military effect of this combined with the remove of the cruise missles from Great Britain, Belgium, Italy and West Germany would be disastrous. Not only would it bring about the danger of an extremely rapid denuclearization of Western Europe, but it would leave the continent vulnerable to the new Russian mobile ICBM systems, the SS-24 and SS-25, and would leave West Germany totally defenseless against the SS-21, and the Russion strategic bomber fleet.

The denuclearization would bring into effect the overwhelming conventional superiority of the Warsaw Pact. If proponents of the proposed INF treaty speak about a subsequent arms reduction agreement in the conventional area, it must be noted that anything less than a 6-to-1 asymmetric conventional disarmament would bring about the irreversible defenselessness of Western Europe. Russia would quickly reach its longterm goal - to conquer the rest of Europe, without the need to fire a shot.

Apart from the military irreversible effects, the political consequences of the proposed INF treaty are already shaking the foundations of the Western alliance. Ever since the infamous Reykjavík summit one year ago, patriots of all Western nations have been horrified about the perspective of a new Yaltz agreement between Moscow and Washington, which de facto threatens to sell out Western Europe. If West Germany

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follow. Moscow would have reached what Lenin defined 70 years ago as the stepping mone for the establishment of world hegemony. The combined industrial and labor power potential of the Warsaw Pact and Western Europe together would leave Moscow as the only superpower.

Gorbachev left no room for doubt about his intentions, when he delivered his speech on the occasion of the 70th anniversary of the October Revolution. Moscow delights in the financial collapse of the West and gloats about the "final breakdown crisis of capitalism." At the same time, Moscow gears up the communist parties of the West and the developing sector and directs them to take control of an escalation in irregular warfare, which has already included the murder of two policemen in West Germany, murdered with the use of firearms, in the context of what security officials described as a military-type operation. While leaders of the terrorist ecologist movement applauded the murder from Moscow, Gorbachev received and praised them.

If the West proceeds to disarm itself, while Moscow continues to build up increasing numbers of such Spetznaz forces, then, a fews years down the road, Moscow will be capable of taking Western Europe, with the help of radio frequency and other such weapons, based on "new physical principles," while the West plunges further and further into the pit of the depression. The West will have been defeated as a political system, and western Judeo-Christian civilization will have gone under, in a way not so different from the Roman empire.

All of this can be stopped. An economic emergency mobilization of the West and a crash program for the Strategic Defense Initiative and Tactical Defense Initiative could quickly demonstrate the superiority of Western culture and civiliza-

But in the meantime, Pearl Habor Day must not become the day on which the West disarmed itself.

Prevent the realization of the INF treaty!

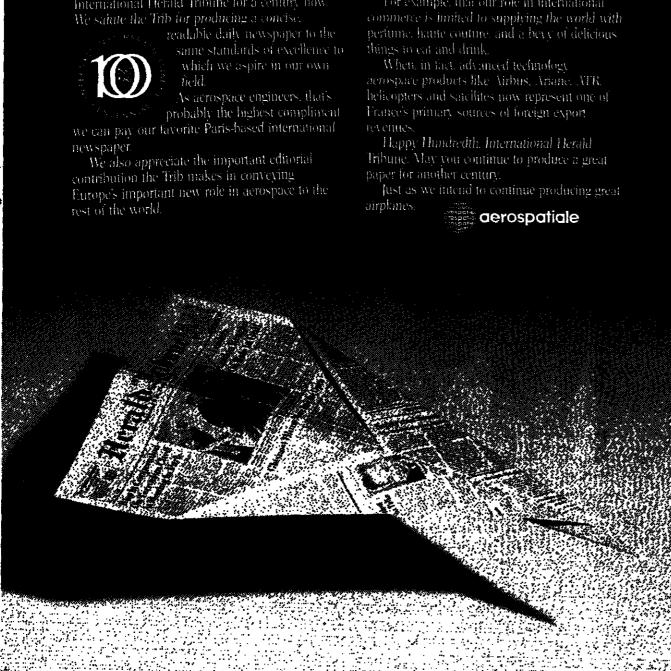
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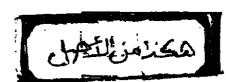
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# THE QUIET ACHIEVER



NORMOUS differences punctuate the fabric of life in Thailand, but the monarchy continues — almost mysteriously - to provide the unifying bond among this nation of 55 million. Such bonds are virtually unknown anywhere else in the world.

King Bhumibol Adulyadej, the 60-year-old monarch who has reigned since June 1946, is the ninth of the Chakri Dynasty, whose reign coincides with the founding of Bangkok as the capital.

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But neither the King's relatively long reign nor the many changes of "temporal" government explain Thailand's at least, solace royal phenomena. While 90 percent of Thais are devout Buddhists, there is nothing in their character that would indicate a "slavish devotion" to any figure. In fact, the attitude toward the King transcends his official position in the

That hierarchy. The origin of the monarchy owes much to the Indian Brahmanic version of reincarnation. The philosophy that one is reborn to a position that one merits from a previous incamation means that, in essence, the ruler of a state deserves his position. He is not respected ex officio, but as one who deserves his position

through birth itself. The idea of a "god-king" was probably developed 600 years ago in the Kingdom of Sukhothal in the north. There, the Indian influence - as well as the influence of the Khmer Empire in what is today Kammonarchy was totally different from that of the Bunnese kings and the sultans of Malaya in the south. For "god" though he might have been,

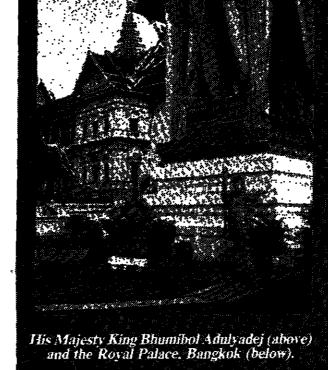
venerated 16th-century king notable not just for creating the present Thai alphabet (taken largely from Sanskrit), but for holding weekly sessions at his palace where all who had problems could come to visit him to seek justice or,

The late writer Avumongkol Sonakul, who was descended from royalty, explained that "Dynasties fell almost yearly in Ayudhya, because the kings there got far away from the faith. When the capital was burned down (by the Bunnese in 1742), it gave way to the Chakti Dynasty, which has survived coups, turmoil, even the revolution against the monarch in

puches - came to fruition. But even then, the idea of the king was also accessible to the people. King Ramkambaeng was a

In the later kingdom of Ayudnya, me monarchy was more isolated from the people - the religious element gave way to a ritualization of the institution — but this was justified because of the political problems.

What distinguished the Thai monarchy from all others in the area is that, from its beginning, it recognized and



accepted the outside world. It was not isolationist. The despotic kings of Burma moved their capitals further and further into the jungle to avoid the British. But not the Thais.

British and French traders were sailing up the Chao Phraya River from the Gulf of Siam from the beginning of the 19th century. They were accepted as traders and educators. And while the Thai monarchy has the duty to protect Buddhism, missionaries were permitted to teach. The book about this period, "Anna and the King of Siam," is very much the fantasy of the teacher who wrote it, Anna Leowowens, but its basic idea was correct: King Rama IV was ready and willing to accept Western ideas when they were good for Thailand. But accepting or rejecting them wholesale would have been out of the question.

His successors sent their children abroad - to England, Russia, Germany, France and later the United States - in order to guarantee the openness of the country for the

Inevitably, this openness led to problems. In 1932, an elite educated in France over-

turned the monarchy. It was not a simple revolution. It was complicated by the economic factors of the worldwide Depression and by an ingrained cabal within the palace itself that refused to allow changes. The King retired to England, but the monarchy was never allowed to die in the hearts of

the Thais. King Bhumibol was born in Boston, where his father was studying medicine. When he became King, Thailand really did not have any idea of just what the monarch was supposed to do.

The King was "above the law," but in a literal sense he was unable to make the law. He was to be respected or venerated, but for what, outside of tradition, not even the Thais were certain.

King Bhumibol, however, was able to project an entirely new picture of the monarchy as a man of action, of art and of accomplishment.

As a man of action, King Bhumibol has moderated extremism within the kingdom. He has revolutionized agriculture with his own farms, by granting seeds and crops and by encouraging farmers to try new methods.

When it comes to industrialization, the King has been at the forefront in quietly enalists to invest in Thailand. Through his office, his conversations and trips abroad, King Bhumibol has brought an air of political stability to Thailand, even when the political system seemed to be on the verge of collapse.

Politically, the situation is very sensitive. Constitutionally, the King can have nothing to do with politics. Yet by conserving his office, he gives greater weight to whatever political thoughts he may have. Several coups were averted simply because the King had quietly told the coup leaders that they would not be "correct."

Through several royal personages who are involved in politics, notably ex-Prime Minister Kukrit Pramoj, it has

been possible for him to let political leaders know his feel-

These are not orders, but because of the veneration felt for him, they are highly -- if unoffically - important.

As a man of art, the King is venerated as a musician well known for his jazz composition, his baller "Manohra" and his encouragement of Thai classical music. As an artist, he has had many exhibitions, and like his royal forebears, has helped supervise many of the architectural monuments. He has also helped to revive the religious ceremonies of the country.

There is no such thing as Buddhist fundamentalism," said one writer, "but there is a feeling that rituals help to solidify one's feeling of veneration for the elements. In all this, the King has helped to bring these ceremonies, like the Royal Barge Procession. into focus, giving the Thais more focus for their own feel-

As for the people's feelings about King Bhumibol -- now called King Bhumibol The Great, after 40 million signatures were collected in 1985 asking for this new title they are rarely expressed in words. On his 60th birthay, the streets were lit, signs proclaimed his greatness and the newspapers blazoned our a

thousand adjectives. But the real secret is that the Thais never question his harami, or "thereness." The Thai word barami has no real English translation, but it stands for the King: "prestige, august presence, or grandeur" are the closest translations.

But more important is the King's own doseness to his people. He has tried to downplay "royal language" when visiting people in the countryside, and he has attempted to strike a real relationship that is both monarchical and hu-

His oath of allegiance during his coronation is near to the reality of his reign: "We will reign with righteousness for the benefit and happiness of the people." This he has tried to do. And no matter what the temporal realities of Thai politics can be, he has bonded together the Thai people as a monarch, as a symbol of veneration, and - ironically -- as a very human element

# **Prosperous Land of Plenty**

⊀HAI farmers, who comprise almost 70 percent of the population, are often eulogized as the "backbone of the nation." And despite the private sector's rapid strides toward industrialization, they will continue to play a crucial tole in the country's future prosperi-

number one exporter of rice, tapioca and canned pincapple, and a leading exporter of sugar, frozen shrimps and maize. The country, thanks to its natural fertility, lush climate and hard-working farmers, has long claimed the distinction of being the sole net food exporter in Asia, ranking fifth worldwide after the United States. Canada, Australia and New Zealand. But unlike its competitors in the world market, Thailand's agricultural sector continues to be nearly wholly unmechanized and dependent on millions of small farming families dispersed nationwide. most of whom still use the traditional tools of the Asian farm: human muscle and the

water buffalo. The small farm network is preserved by inheritance, and by pending land legislation, which guards against large land holdings, thus preventing the growth of huge plancations.

In 1981 former Minister of Agriculture Dr. Anat Arbhabhirama pushed a draft amendment of land laws that would greatly limit individual land still pending, having passed initial readings in the Thai cabinet and parliament, but has already had a significant psychological impact. Dr. Anat, now the governor of the state-owned petroleum authority of Thailand (PTT), said: "Because of this pending legislation there are few large farms, and land distribution in Thailand is still one of the best in the world."

The small farm system, however, has left the Thai farmer vulnerable to the variables of weather, unscrupulous middlemen and, more recently, plummeting commodity prices on the world market. Government planners, the Bangkok-based business community and the farmers themselves have sought security in crop diversification and food processing.

Crop diversification is nothing new to Thailand, but the ability to process, package and market agricultural products abroad has only taken off in the past few years. One of the first pioneers in crop diversitification was King Bhumibol Adulyadej.

As a "velver glove" approach to the opium problem in northern Thailand, where the high altitudes and inaccessible terrain have proven ideal, for hilleribes cultivating the illicit crop, the King initiated a "crop substitution program" in the early 1970s. Dozens of government-backed projects with foreign aid and expertise have since extended the program, which now brings strawberries, passion fruit, pocaroes, coffee, cabbage, kidney beans, tomatoes, zucchini and winter squash where poppies once flourished

The Thai farmer and Thailand's enterptising merchants have taken up where the aid projects left off, turning the north and other formerly re-See Prosperous, Page 10

certain areas - like, say, Koh

Samui in the south - don't

have the infrastructure to suit

Instead, luxury hotels in

Pattaya are being constructed,

corrage hotels are being built

along the whole east coast,

Phuket is developing (far fast-

er than the "old hands" want),

and Bangkok and Chiengmai

are building perhaps roo many

# The Year of the Tourist Revisited

E have only one real problem in this tourism year," said an executive of the Tourism Authority of Thailand. "We have to stop people from coming here. They're coming too quickly for us to take care of them."

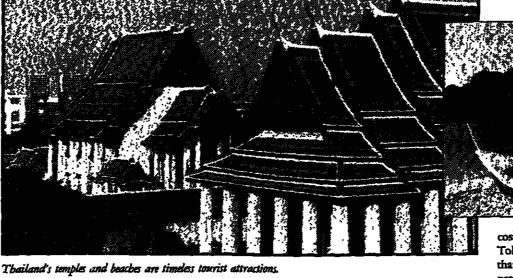
The executive was only half joking. From the prosaically titled "Visit Thailand Year," the reality was fairly astonishing. In 1986, 28 million visitors came to the kingdom. This special year, the number is estimated to be 3.2 million by the end of the year, so the Tourism Authority of Thailand (TAT) is cruising all the way to the Ministry of Finance. The revenue is estimated to be US\$1.8 billion, making tourism by far the highest foreign exchange earner.

So when the Visit Thailand Year comes to an end in four weeks, what do they do for an

Well, this being Thailand, time isn't exactly what it is in other countries. Certainly the "year" ends by the end of December. But the TAT has fixed it so the special year ends in July 1988. That has nothing to do with budget allocations or anything so mundane. Visit Thailand Year was originally created to celebrate the auspicious 60th birthday of the King. But in July 1988, the King will have celebrated a longer reign on the throne than any previous monarch. So the celebrations are

To the TAT, this success is fraught with warning. Should the hotel investors build more rooms? Certainly in December: the 20,000 rooms of Bangkok -- and most of the rest of the kingdom - are packed solid with visitors. But this hardly means that next year the same success will come, and they have been warned.

Airlines have their questions as well While Thai International had a record-breaking load factor of over 70



percent, there is no guarantee this will continue. Alitalia, which had discontinued flights to Thailand a few years ago, resumed twice weekly flights, but nobody knows

how things will go after this. "We've been very successful." admits the affable TAT governot, Dharmnoon Prachuabmoh, "but I have to keep on warning people that this may not continue. So far we're riding on an image for this special year. Next year, after July, we'll be concentrating on the image of "The most exotic country in Asia. But mainly we have to keep riding this wave by word of

mouth and reputation." That plus a hefty advertis-

ing budget. This year the budget is \$3.5 million. Next year it will double. But the attractions of Thailand have to

The auspicious year has brought a certain magic, but each country has its own remprations. The Japanese, for instance, fall in love with Thailand's golf courses. What

speak for themselves.

costs a few hundred dollars in Tokyo costs ten percent of that in Thailand. Tour groups prefer the middle-class horels. And almost everyone enjoys the Thai nightlife.

"We have to take that into consideration, but we think the image will change inevitably," says Mr. Dharmnoon. "After all, just look at Japan after World War II. That image is certainly different today. And we're aiming for a family market as well."

For that, the beaches, the

hills, the luxury horels all have their place. Tourists spend over five days in Thailand (twice as much as Hong Kong), but the TAT wants this to increase. To do so, they are cooperating -- usually informally - with provincial tourist associations. There is no official connection berween the two, but TAT thinks this is inevitable. TAT also is looking for a more well-heeled group of tourists.

They aren't discouraging the

hotel rooms. Add to this a regional element — "We want to be the center of a Visit ASEAN Year' soon," said one executive - and Thailand seems to be on the verge of yet another "The real secret," says

Mr. Dharmnoon, "is that we have everything going for us: our scenery, our attractions and our people. Now if we can work out how to allocate small things like hotel rooms and airline seats. Visit Thailand Year can continue indefibackpack or group tourist, but nitely."

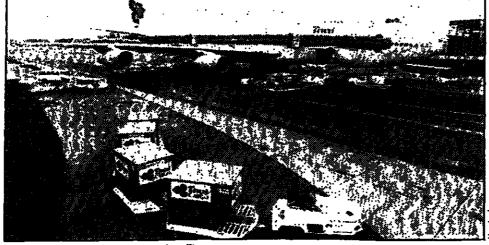
ADVERTISING SECTION

# Airlines Ready for Next Decade

⊀HE names THAI and TAC were diametrically opposed until last month. THAI was for Thai International, whose fleer flies to 32 countries. With a record load capacity of 70 percent and 11,000 employces, it is believed by some to be the best airline in Asia.

TAC was Thai Airways Corporation, which mainly flys domestic routes. Its profit was perhaps 10 percent. Its staff of 1,800 had a less-thanadmirable reputation. Its recent salety record was not the highest. Nor its service.

On November 16, the two airlines merged - with Thai International obviously set to play the key managenal role for the two. The merger had been considered for several years, though no firm commitment was ever made. Now the advantage of the partnership is bound to be felt throughout the country and will surely facilitate basic in-



Sophisticated computers speed cargo handling

ternational tourist traffic to

"Have you ever tried to get from London to Phuket?" asked writer Bill Warren. "It was like getting to the moon. There was simply no way of doing it unless you spent a few days on the spot in Bangkok."

According to Thai International's executive vice president, Chatrachai Bunya Ananta, this will change almost immediately. "Now," he said, we can coordinate schedules and coordinate ticketing. Before this, TAC was limited to domestic stations."

The flexibility factor is equally important. Previously, THAI had leased its own airlines to TAC. Starting in April, when the merger becomes official, coordination will become easier.

Mr. Charrachai's prediction

years ago THAI flew into China, but this expansion is holding back for awhile.

"It is obvious," said Mr. Chatrachai, "that, with TAC coordination in marketing, ticketing and scheduling, we can make Thailand even more of an 'Asian gateway,' establishing Thailand as the center of an Asian journey." Until this year, Thai Inter-

national's claim to be the gateway to Asia was offset by its relatively primitive airport facilities. Last September, when the lofty new departure hall came on, along with two finger piers and 15 airbridges, a remedy was in sight. The South International Passenger Terminal, designed as a Thai-Japan joint venture, is the largest component of an entire restructuring of the airport, to be completed in 1989 at a cost of US\$200 million.

At the project end a total of 16 airbridges attached to four piers will enable the aiport to handle aircraft as large as Boeing 747's. They represent the largest single airbridge order ever placed. Once the third finger pier and North Corridor are completed, airport parking space will total 540,000 square meters — sufficient for 52 wide-body aircraft. By 1998, overall international handling areas will have been increased to facilitate 18 million passengers annually ensuring sufficient spare civil aviation capacity to see it into

the next decade. The domestic terminal was updated in 1985, the same time as the cargo terminal. The latter occupies 57,000 square meters and is home to 47 airlines and freight forwarders with a sophisticated computerized handling and storage system.

The financial advantages for TAC are numerous. A long-term planning committee member said that the domestic load factors were likely to increase by over 20 percent next year, not the earlier forecasts of 15.9 percent. Of the 1.268 million passengers expected, most will be traveling on three routes - Bangkok to Cheignami, Hat Yak and Phuket. The others, mainly money losers, will now be subsidized by Thai Inter.

We have no intention of canceling any routes," said Mr. Charrachai, "More important, on the major domestic routes TAC can now use our larger aircraft, like the A300Ba's."

Several problems must be resolved before the merger officially takes place. The financial transfer is basically a matter of a book transaction with the Ministry of Finance. But the complex proposal of pavatization will obviously have to wait until this is accomplished.

Other problems will take negotiations to solve, Salary and benefits are much lower at TAC than at Thai International. The agreement between the two companies states that no layoffs will be entertained. But Mr. Chatrachai privately has few illusions about the difference in quality between the staffs.

"We will," he said, "utilize

Mr. Anandvichai, whose

ment takes place. A further

problem arises with the essen-

the entire scaff of Thai Airways. What their position is depends on their capabilities"

Another option is for TAC to offer severance pay and other benefits to employees who don't want to work with

Negotiations will also be undertaken with travel agents. At present they pay only 2 percent to monopoly TAC with about 8 percent to Thai International

The last problem is simply one of allocation and infrastructure. The new airport has helped to resolve this. But Mr. Charrachai still believes that new hotel rooms, highways and better coordination between the airline, tourist authorities and other ministries is necessary.

Still, the merge is apparently good for all concerned. Some grumbling might be heard with both TAC and THAI. But the merger fits in ideally with the goals of the tourism authority of Thailand - and thus with the country's biggest money earner.

confidential reports to foreign

investors. Instead of develop-

ing one port or another, the

political pendulum swings,

with only the prime minister

# Projects in the Pipeline

OME 27 years ago, Thailand's east coast was a sun-baked stretch of palm trees, tapioca and resort cottages, while Bangkok was a city-state of clogged harbors and an impossible transport system. That was when the idea of developing a deep sea port along the Gulf of Siam was envisioned. Two decades later, the vision was expanded into the grandly titled Eastern Seaboard Development Program (ESDP). This would include two massive harbors, three industrial estates and an infrastructure extending as far as the old American military airport of Sartaheap near the Kampuchean border.

Attractive as the vision may be, the ESDP has progressed as slowly as Bangkok's traffic. Thailand's endemic "committeeology," political infighting and paperwork has meant that ESDP remains almost at the dream state. Still, Prime Minister Prem Tinsulanda has put so much weight behind the project — expected to cost US\$5-6 billion - that finally some contracts have been signed for this, the largest integrated public-private project in Thailand's history.

The idea is an all-encompassing one, centering on two areas. Laem Chabang in Chonburi Province, 125 kilometers east of Bangkok, would ex-

A holiday of smiles

pand its port to handle up to 4 million tons of goods annually. Behind all this would be an industrial estate, attracting labor-intensive light and medium industries, including food processing, electronics and commercial works. More ambitious is the second port, Map Ta Phut, further to the east. Already on the receiving end of the world's largest natural gas reserves pipeline, Map Ta Phut would serve as the site for heavy and natural /petrochemical-based industries. A deep-water port would include berths for general cargo and the industrial estate would include some rather ex-

travagant projects, including a

fertilizer plant, steel foundry and other heavy industries.

last year that THAI would

become a "worldwide airline"

by the 1990s seems to be com-

ing true. This year already,

THAI will be opening routes

to Auckland, Madrid, Toronto

and Vienna, with on-line pros-

pects into the region when

political conditions allow.

(Thailand still has no rela-

tions with Kampuchea so the

potentially profitable Angkor

Wat route is far off.) Several

Both projects would be coupled with massive infrastructural facilities: up to 7,000 telephone lines, 2 road network going into the interior, the reopening of Sattaheap both for passengers and cargo, water and electricity - all long-overdue for the now tourist-rich area.

The feasibility study, from 1981-86, was bright First, Thailand's general economic growth was very strong during this time. The manufacturing sector grew 70 percent in 1985, replacing agriculture as the engine of growth. Thailand certainly needed another port. And while the resort owners along the 120-kilometer road through Pattaya strongly objected that pollution could ruin their industry, the idea of industrialization

Anandvichai Dhanasunth-Factory Development Compacautious country financially. But there is no denying we back-to-back industrial estates outside of Bangkok."

Last year, the board of investment received 700 applications for new industries, but virtually none were outside of Bangkok. The capital might have its problems but there are few viable industrial facilities outside the capital.

The Laem Chabang port is equally essential. Dr. Savit Bhotiwihok, a government planner behind ESDP, said, "Laem Chabang isn't an east coast port, it will be a national port. And it is absolutely necessary because Klong Toey (Bangkok's port) is fully ex-

agree that ESDP is essential. But it was only in October this year - 26 years after its

was appealing to even the most conservative That econo-

orn, general manager of Thai ny, explained, "We're a very need industry. We need this new port and we need the

industry, nothing has been constructed at all. One computer printout list of all the 'intended' plans shows why.

shows, all are waiting for even the first crane to dig out the first hole in the port.

Oil production in the Erawan field conception — that a contract was signed to deepen Laem semi-government Thai factory Chabang port. development corporation should do siting and financing While the 1,100-acre plot of land is already filling up for the project, sees ESDP 25

"at least two to three years off with light-factory industry (mainly to facilitate the agrobefore we can take it seriousgrowth industries of the ly." Several drawbacks are noted. First, the government renortheast), the gigantic port fuses to sell the land outright. of Map Ta Phut is the big question mark. The 425-kilo-"A 99-year lease would do for European investors," said Mr. meter natural-gas pipeline has engendered a gas-separation Anandvichai, "but it is insuffiplant, and two petrochemical cient for Asian investors, who want to know they have the plants will be operational land." Second, he said, right within two years, spurred on now the project is "still dirt by a ten percent or higher and promises." The infrastrucincrease in domestic demand for petrochemical feedstocks. tural facilities will have to be As for the promised heavy built before any serious invest-

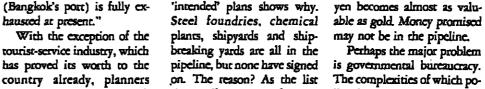
> tial Japanese investment as the litical party or which power holds sway in either of the two ports has been noted in many

seemingly holding a disinterested allegiance to the project. Added to this, different ministries have control over different facets such as land; water, pollution and industry. Yet there is still much optimism, as one port slowly is being deepened and the petrochemical plants are nearly on

Fortunately, the government recently announced a new change to the entire ESDP. Searing in 1988, the infrastructure will go out to tender to private industry rather than the government, and this in itself has made industrialists more optimistic. Port and estate projects, which are relatively uncomplicared, would go to Thai, Taiwan, Korean, perhaps Spanish or Italian companies. The more complex building would go to Japanese or European

Mr. Anandvichai feels that though success is still "down the road," there is a possibility that the ESDP will someday happen. "We have a Thai saying," he explained, "that when the water is high, you scoop it out. The water was very high until the recent economic problems and we didn't take advantage of it."

"Thailand is set to become an industrial success. And the only way is through getting 2 project like this one off the ground."



## Prosperous Land of Plenty (Continued from Page 9)

mote regions into production bases for produce which several years ago had to be imported. Said the Bangkok Hilton's executive chief Josef Peter, "Before, we had to import practically all our fresh vegetables and spices. Today we get iceberg lettuce, white and green asparagus, beans, oak leaves, cantaloupe and honeydew melons, in addition to the regular Thai vegetables." More important for the

Thai economy has been the growth of food-processing industries. Exports of canned food in 1986 earned the country Baht 14.98 billion (US \$587 million). Canned pineapple, still the country's leading item in the canned food category, accounted for nearly 25 percent of all canned food exports. Other processed fruits and vegetables that are increasingly popular abroad include pineapple and other fruit juices, frozen fruits, canned mango, rambutan and longan, and canned dwarf corn and other seasoned vegetables.

Despite the swiftly depleting fisheries in the Gulf of Thailand, the country has con-

tinued to be a major exporter of frozen shrimp and canned scalood by shifting toward aquaculture and commercial fish farming. In the past six years the country has gone from being an importer of canned mina to one of the world's leading exporters. Unicord Co. Ltd, a leading canned tuna exporter, buys the fish from American and Japanese tuna trawlers in Bangkok, trucks them to its factory where they are processed and canned, and then export them to foreign markets in the United Stares, Europe and even Japan.

The rising popularity of food processing has highlighted the need for greater cooperation between the prodominancly urban based private sector business community and the Thai farmer. The process has only just begun, but already economists argue than such cooperation is crucial to Thailand's economic future. Said respected economist

Dr. Anat, "I think Thailand should definitely go into more food processing to diversify our activities, to generate em-



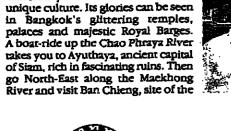
Tobacco crops in the Chiang Mai valley.

ployment which is going to see a big problem in the next few years, to get value to added activities, and as a means of making our price-support program for agricultural products work properly." Whether the government

should spend more on budgerboosting agro-industries in-stead of traditional industries such as chemicals and the automobiles remains a crucial development question. Many

economists argue that Thailand should strive to become the world's first newly agroindustrialized country (NAC), rather than yet another newly industrialized country (NIC) within the next five

> This Advertising Section was written by Harry Rolnick



When you come to the Kingdom of

Thailand you will meet an old and

euloying the beaches, the scenery, the delicious food, you will discover another aspect of the culture: peaceful villages, an old lady offering food to a monk, a child weaving a garland of

flowers. And everywhere, the smiles and laughter of the friendly Thais, making you welcome.

oldest civilisation ever identified.

And as you travel around the country

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# ON DECEMBER 5TH THE PEOPLE OF THAILAND SALUTE A DEDICATED KING

N DECEMBER 5TH, 1987, HIS MAJESTY KING BHUMIBOL ADULYADEJ, ninth monarch of the Chakri Dynasty, celebrates the achievement of the fifth cycle; his 60th birthday.

In Thailand, life is measured in cycles of twelve years. The completion of each cycle is a significant step in a man's life. It means

development and change. Fortunes may improve, or worsen. Personality and outlook on life are different. Each cycle is a "coming of age."

However, the fifth cycle is the most important of all. At sixty, man is mature, wise and knowing. Experience has made him complete. Thus, completion of the fifth cycle is a time for celebration.

When a King achieves this momentous step, an entire nation celebrates. And in the case of King Bhumibol, the joy is genuine indeed.

Since the beginning of the Chakri Dynasty, the monarchy has been benevolent and caring. Both a friend of the people and a figurehead.

King Bhumibol and his beautiful Queen, Sirikit, have carried on this tradition, regularly travelling throughout the country offering help and advice where it is most needed.

Thailand is still largely agricultural, and the climate



His Majesty King Bhumibol Adulyadej sharing advice with a group of his subjects.

can be extreme, with monsoons and floods in some areas and drought in others. The King and Queen have initiated countless projects to speed the advance of technology. Dams and irrigation systems have been built under the King's guidance, while modern farming schemes have been introduced all over the country.

This ongoing relationship is conducted without fanfare. In fact, the King is likely to arrive on a remote farm for an informal get-together to see how things are progressing.

This extraordinary devotion to the well-being of his people has made King Bhumibol one of the most beloved monarchs in Thailand's history. His picture takes pride of place in practically every household in the land.

Next year, King Bhumibol becomes the longest reigning monarch of the Chakri Dynasty. He came to the throne in 1946, pledging to "reign with righteousness for the benefit and happiness of the Thai people." That, he has done, and continues to do.

On this momentous occasion, Thai Airways International join with all the Thai people in expressing their love and gratitude to King Bhumibol Adulyadej. May the completion of his fifth cycle bring His Majesty as much joy as he has brought to his people.

## NATION CELEBRATES

**NASDAQ National Market** 

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#### EUROBONDS

# **Weak Policy Makes Dollar** A Target for Frustration

By CARL GEWIRTZ International Herald Tribune

ARIS — An improvement in U.S. employment data and heavy central bank intervention sent the dollar higher Friday. But unless foreign central banks are prepared to sustain their buying, U.S. dealers say, the dollar's trend is definitely not upward. "The greatest mistake we could make at this time would be to fix the [value of the] dollar," said Rimmer de Vries, economist at Morgan Guaranty Trust.

"We are in a terrible environment," he said Friday in an interview. He said that U.S. and West German officials are "tinkering at the margin" on policy moves that will have not

much significance in addressing the fundamental problems: the fundamental problems:

Uncertainty about

effects of the stock

another excuse for

collapse provide

doing nothing.

deficit, running at about \$150 billion a year, and the surpluses registered by West Germa-

Behind these surpluses are the too-rapid growth of U.S. consumer demand, fed by an excessive budget deficit that sustains a level of imports that prevents a meaningful im-

provement in the current-account deficit; and the lukewarm rate of domestic demand in West Germany and the rest of Europe. For the moment, expansion in Japan is relatively robust. Mr. de Vries argued that it could still be higher, but the main worry is whether current policy is capable of sustaining the present level

The Louvre pact, whereby the seven major industrialized nations attempted last February to stabilize exchange rates, "will go down in history as a great mistake — stabilizing at the wrong level with false promises not executed," Mr. de Vries said.

He has long argued for stable rates, albeit at a lower level than

set at the Louvre meeting. The disillusionment with fixity has been apparent for some weeks among Washington officials. But with policymakers incapable or unwilling to take bold action to address fundamental issues, the disenchantment with currency

stability is becoming quite widespread.

Mr. de Vries said that governments should not attempt to renew the Louvre pact "on the basis of what governments have done so far or are prepared to do." This does not mean officials should give up on efforts to cooperate on coordinating economic policies, he said, but that coordination has to precede an agreement to stabilize currency rates.

PART FROM the long-standing political impasse in the United States on cutting the budget deficit, the United States now has a legitimate excuse for doing nothing: the uncertainty about how the crash in stock prices will affect consumer demand.

The U.S. employment figures released Friday showed a biggerthan-expected increase, but this really does not provide much of a clue about consumer demand. The major problem is that the job data are a lagging indicator, layoffs occur after a slowdown has occurred. In addition, if exports replace domestic sales as hoped, employment could be rising even while domestic demand is falling. Until there is solid evidence on the behavior of U.S. consumers, analysts say, the Federal Reserve will not tighten policy. Hard facts are not expected until January at the earliest.

A number of analysts fear there will be no dramatic impact on domestic spending. "That could be a real worry," said the senior dealer of one major U.S. bank.

Concern about the inflationary impact of the falling dollar on domestic costs as well as the massive liquidity pumped out by the Fed to calm markets could then send market-led interest rates sharply higher. That would recrea

19 collapse of stock prices. Brendan Brown, an economist at County NatWest Bank, said last week that while it was still too early to know for sure, the probability of a spontaneous slowdown in U.S. consumer demand was about 60 percent. That figure represents a revision of

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his earlier estimate of 70 percent. Michel Develle, an economist at Banque Paribas, said that European officials were spending too much time worrying about the dollar's exchange rate and not enough time watching the yen, which has depreciated by 1 percent against the Deutsche mark since mid-October.

"The dollar's decline is worrisome," he said, "but our real problem is Japan. We need a revaluation of the yen."

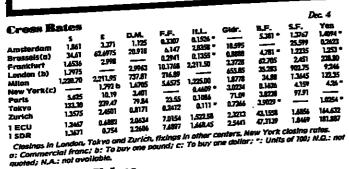
Despite cuts last week in European interest rates, which put West Germany's discount rate at a historic low of 2.5 percent, the Deutsche mark sector was the most active in the Eurobond market. A week earlier, analysis were saying the anticipated cut would eliminate the "fantasy factor" of ever lower German rates and end the lure of investments in marks.

But with the dollar expected to continue to fall, investors see continuing currency gains. Barring a turnaround on fiscal policy See EUROBONDS, Page 15

### Last Week's Markets All figures are as of close of trading Friday

West German Commerzibk	1,766,74 173,13 461,00 217,18 222,87 255,43 125,91 1,582,80 1,242,70 22,602,75	180.18 728.43 233.72 240.34 275.25 135.16 1,551.60 1,308.20 23,268.62	Chree 7.52 % 3.91 % 9.26 % 7.08 % 4.85 % 7.20 %	Money Bate United States Discount rate Federal funds rate Prime rate James Discount Call maney 3-month Interbank West Germany Lombard Call maney 3-month Interbank Britain Bank base rate Call maney 3-month Interbank	Dec	24/2 33% 33% 41/2 2.15 3.60 9 81/2	Nov. 27 6 674 874 21/2 37/2 37/3 47/2 37/4 37/4 9 10/42 8 11/76
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HECTE	385.30		— 453 % Copilal ini".				

# **Currency Rates**



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New York rates unless marked \* (local rate.) Forward Rates 1,3131 1,3145 1,3131 1,3145 1,3527 1,3487 68-day 1,8045 131.62 1,6536

Sources: Indasuez Bank (Brussels): Banca Commerciale Italiana (Milan); Banque N de Paris (Paris): Bank of Tokyo (Tokyo); IMF (SDR): BAll (dinor, riyol dirhom); ( (ruble), Other dato from Reuters and AP.

# **Ratings** Lowered

Moody's Also Reviews Debt of 12 U.S. Banks

Compiled by Our Staff From Dispatches NEW YORK — Moody's Investors Service Inc. has downgraded bond ratings for Argentina, Brazil and Venezuela, saying their capaci-ty and willingness to service their foreign debt had deteriorated.

Moody's, a leading credit-rating agency, also placed the ratings of a dozen major banks that lend to the countries under review on Friday, but analysts said this was unlikely to damage their ability to borrow. "I would suspect that it would not increase their funding costs much at all," said Thomas Brown,

vice president of Smith Barney, Harris Upham and Co. The bonds downgraded are En-robonds, long-term debt securities issued outside the borrower's country in any of several currencies.

Many analysts said they were not surprised by the action. "The news coming out of Latin America has been getting progressively worse," said Cheryl Swaim, vice president at Oppenheimer & Co.

The presidents of eight Latin American debtor nations, including the three affected by the Moody's downgrading, ended a summit meeting Nov. 29 by calling for relief from their combined debt

or \$400 billion.

Brazil's foreign debt totals \$113 billion, Argentina's \$54 billion and Venezuela's \$33 billion. of \$400 billion.

In the downgrading, Moody's rating for Brazil's Eurobonds went from Bal to B1, Argentina's fell from Ba3 to B2 and Venezuela's slipped from Ba2 to Ba3.
Ratings as low as Baa are consid-

ered to be "investment grade," a Moody's spokesman said. Ratings below that point, the range in which all three Latin nations lie, are viewed as "speculative" invest-

Moody's said the banks under review were: Citicorp, BankAmer-ica Corp., Chase Manhattan Corp., Bankers Trust New York Corp., Bank of Nova Scotia, Chemical New York Corp., Continental Illinois Corp., European American Bank, First Chicago Corp., J.P. Morgan & Co., Manufacturers Hanover Corp. and Irving Bank Corp. Manufacturers and Irving Corp. Manufacturers and Corp. Manufactu vere already under review for different reasons.

Moody's said a fall in the value

See RATINGS, Page 15

# 3 Nations' Amid Stock Market Turmoil, Base Metals Shine

LONDON - World base metal prices have risen sharply, despite a collapse in the linancial markets that some analysts say could be a prelude to recession.

The increase in metals prices, analysts said, has been caused by growing global demand and reduced supply. Many mines were closed in the early 1980s.

The weakness of the dollar and a sudden interest by investors in metals have also helped to boost prices, analysts said.

When stock markets collapsed

in October, many speculators were forced to sell their metals holdings to cover losses in other markets. This brought some metal onto the market, causing a temporary drop in most prices, though copper held its ground. In times of uncertainty in fi-nancial markets, speculators

sometimes invest in metals, but this time losses were so great that investors were jittery about losing more, analysis said. These factors led Shearson

Lehman Brothers, in a recent weekly metals review, to call global metal markets a "sea of tranquility, where the fundamentals are undoubtedly holding

Copper, used widely in such sectors as electronics and cars, soared 45 percent from average 1986 levels to a record on Nov. 30 of £1,393 (now about \$2,500) a metric ton for three-month delivery. Cash copper for immediate delivery went even higher, peak-

By Lawrence J. De Maria

New York Times Service NEW YORK -- By some mea-

sures, Wall Street is in worse shape now than after the stock market's

After last week's slump in prices,

the Dow Jones industrial average is only 28 points above the trough of

Oct. 19, when it plummeted a re-cord 508 points or 22.6 percent to

But a case can be made that the

blue-chip Dow is holding up better than the rest of the market, where

the continuing erosion of stock prices has sapped the confidence of all but a few investors and traders.

such a short period of time is some-

lower for the day, at 1,766.74.

"The vaporization of values in

tranmatic collapse in October.

ing around £1,580 a ton on Nov. 25.

Its leap in value gave a much-needed boost to debt-laden pro-ducers such as Chile and Zambia, both of which depend heavily on the metal for their foreign exchange earnings. Nickel, now relatively scarce

and in great demand from the stainless steel industry, has jumped to around £3,570 a ton in early December for three-month delivery on the London Metals Exchange, from an average £2,700 a ton in 1986.

The prices of lead and aluminum have also increased but zinc . lysts

has lagged behind, partly because of extra supplies from North America and Australia as a by-product of their search for silver. Tin, whose price collapsed when the International Tin als Research Unit. "But they're

Council became insolvent in

1985, continues to fluctuate at

COPPER PRODUCING COUNTRIES

Countries that produce metals are worried that high prices may encourage consumers to substitute other materials for their metals and may interfere with longterm development plans.

But high prices cannot last forever, according to industry ana-

"Producers are making money hand over fist and loving every minute of it," said Stephen Briggs, an analyst at Shearson Lehman Brothers' London Met-

worried, because the higher it goes, the harder it will fall." Though the price of copper fell away a bit in early December from its highs in late November as some investors took profits, it remained the strongest performer amone base metals.

Spurred by unexpected copper demand from the United States and Asia and a fall in stocks, See METALS, Page 15

# Dow Fails to Reflect Breadth of Losses

143.74 points, its worst weekly said that the Dow had managed to and loan associations had soared in showing since the week of Oct. 19, hold above its Oct. 19 low — for October. now - because worried investors and its fourth-worst week ever. Since Oct. 2, the Dow has had only one "up week," out of nine. are going into safety.

They are going into GE instead of some secondary names," he said, referring to General Electric Co. According to Wilshire Associates in Santa Monica, California, which tracks almost 6,000 stocks,

one "up week," out of nine.

The Dow, made up of the stocks of 30 of the premier U.S. corporations, is just one measure of the stock market's performance. Other, broader gauges have fallen far below their Oct. 19 level. Smaller, or secondary, stocks have been taking an historic beating in recent weeks. The larger the

universe of stocks being measured, the greater the overall decline. For example, the Standard & Poor's 500-stock index, made up of the nation's major corporate entities, lost 1.29 points Friday, to end

thing that none of us have ever at 223.92, below the Oct. 19 close of seen," said Alan R. Ackerman, a 224.84.

the value of America's stock portfolio has now fallen \$110 billion below what it was on Oct. 19. U.S. stocks were worth \$3.3 tril-

lion on Aug. 25, the peak of the bull market. At the close of trading on Oct. 19, their value had plunged to \$2.3 trillion. As of the close Friday, the figure was \$2.19 trillion.

As the stock market has weakened further, other investments seen," said Alan R. Ackerman, a trader at Gruntal & Co.

On Friday, the Dow flirted with its Oct. 19 low but rebounded somewhat to end just 9.79 points lower for the day, at 1,766.74.

Laszlo Birnyi, chief technical lower for the day, at 1,766.74.

Laszlo Birnyi, chief technical Friday that deposits at 11 S. savings

For many, the erosion in the

Dow transportation index is particularly worrisome since many be-lieve it may indicate a slowdown in the U.S. economy next year. The transport index, made up of 20 of the largest U.S. rail and air carriers, fell 12.57 Friday to 661, or 115.87 points below its Oct. 19 level.

"You have a technical unraveling that has the chart makers very nervous," said Mr. Ackerman of Gruntal & Co. He said there was "a buyers' strike," and that stocks were falling with little to stop them.

Traders and analysts say that there is more to the stock market's troubles than the dollar's weakness.

They said that it might be a long time before badly battered investors get over Oct. 19 and the subsemarket is again apparently vulnera-ble to computer-generated volatili-For the week, the Dow lost analyst for Salomon Brothers Inc., Friday that deposits at U.S. savings ty from program trading.

# Bank Bid Dropped In Spain

## Bourse's Refusal Dooms Bilbao's Offer for Banesto

MADRID — A leading Spanish bank, Banco de Bilbao, has abandoned a hostile bid to acquire Banco Español de Crédito and form Spain's biggest banking group, after the Madrid stock exchange rejected the proposal.

The move is a disappointment for Spain's Socialist government, which has called for mergers because the proposal of the proposal o

tween large banks to meet increased international competition. The withdrawal of the offer is also seen as a blow to hostile take-

over bids. Bilbao's chairman, José Angel Sánchez Asiain, said Saturday that the Madrid bourse ruling "makes impossible any takeover bids in the

future under the present law." The bourse authority's excessively rigid ruling makes it absolutely lutely impossible to proceed with

the bid." he said. Banco de Bilbao dropped the bid on Saturday after it was formally rejected on Friday by Madrid's

stock exchange authority.

The consensus of all four Spanish stock exchanges is required for

any bid to proceed.

The Madrid bourse said the bid

could not proceed because Banco de Bilbao's board had failed to obtain shareholders' approval for the issue of new stock to finance the planned takeover of Banco Espanol, known as Banesto. Bilbao was offering Banesto

stockholders one old Bilbao share and six new shares plus a cash premium of 15,000 pesetas (\$133) for every 10 Banesto shares.

The authority ordered that trad-ing in shares of Bilbao and Banco Español should resume Monday.

Transactions in the shares were suspended two weeks ago, after Bilbao, the smaller bank, said it was seeking a merger with Banesto, Spain's second-largest bank. The withdrawal of the bid was

also seen as a victory for Mario Conde, a young businessman ap-pointed to a top executive post at Banesto a week earlier.

Mr. Conde launched a counterbid for Banesto through an oil com-pany, Petroleos del Mediterraneo, which Banesto indirectly owns. The counterbid has been dropped because it was made conditional on

# Kidder's Cuts Signal a Multitude Out on the Street

#### By Kenneth N. Gilpin New York Times Service

NEW YORK — An announce-ment by Kidder, Peabody Co. of the biggest staff cuts yet on Wall Street signals even bigger job losses in the industry in coming months, analysts say.

Kidder said Friday it would eliminate 1,000 jobs, or roughly 15 percent of its work force, as part of stringent cost-cutting program. The staff cut represents the bulk of a restructuring program that the firm began about two months ago.

"The Kidder cuts are the bellwether for what is to come for some of the firms on the Street," said Perrin Long, an industry analyst at Lipper Analytical Securities. There is a widespread belief that 1988 will be a tough tough year.

about 8 percent cut out of the work force," he added. Kidder also said it intended to reduce nonpersonnel expenses by at least 20 percent, and that it

"Industrywide, we could see

would close at least 10 percent of its 65 branch offices. The latest cuts would reduce employment at the firm to between 6,300 and 6,400 people, or roughly the number of workers on the pay-

would lay off 100 people in its eliminate 800 jobs, or 12 percent of

firms, and one of the most prestigious.

Citing poor market conditions,

New York work force "would not be out of the ordinary."

New York work force "would not be out of the ordinary."

The biggest cuts could come outlook and current conditions in Citing poor market conditions, the firm had said Oct. 13 that it soon after the first of the year as a result of the acquisition of E.F. municipal securities unit. That Hutton Group by Shearson Lehmove came a day after Salomon man Brothers, which was an-

Staff cuts could have a chilling effect on the New York area. Wall Street accounted for one in four of new private-sector jobs created there in the last decade.

municipal bond department.

Analysts said that deeper per-sonnel cuts up and down Wall Street in the coming weeks and months could have a chilling effect on the economy of the New York City area.

Samuel M. Ehrenhalt, regional commissioner of the U.S. Bureau of Labor Statistics, has said that Wall Street accounted for one in four of the new private-sector jobs created in New York in the last decade.

its work force, including the entire municipal bond department. more of Hutton's 18,000 employees could lose their jobs as a result of the merger. Some Hutton execu-

tives, who asked not to be identi-

fied, said the number could be far

There are rumors flying around here that as many as 9,000 people could lose their jobs," one Hutton executive said last week.

Although the bulk of the cuts at Hutton are likely to be made among back-office and clerical personnel, the jobs of professionals at the firm are also in jeopardy.

one of Wall Street's 15 largest tion" in the securities industry's savings of about \$100 million next Electric."

the industry. in a reflection of how the Octo-

ber plunge of the stock market has hurt Kidder's profitability, Mr. Chapman said employees had been Brothers' stunning decision to nounced Thursday. Chapman said employees nat occur by the said that 3,000 or notified that the 1987 bonus pool eliminate 800 jobs, or 12 percent of Analysts have said that 3,000 or notified that the 1987 bonus pool percent of the said that 3,000 or notified that the 1987 bonus pool percent of the said that 3,000 or notified that the 1987 bonus pool percent of the said that 3,000 or notified that the 1987 bonus pool percent of the said that 3,000 or notified that the 1987 bonus pool percent of the said that 3,000 or notified that the 1987 bonus pool percent of the said that 3,000 or notified that the 1987 bonus pool percent of the said that 3,000 or notified that the 1987 bonus pool percent of the said that 3,000 or notified that the 1987 bonus pool percent of the said that 3,000 or notified that the 1987 bonus pool percent of the said that 3,000 or notified that the 1987 bonus pool percent of the said that 3,000 or notified that the 1987 bonus pool percent of the said that 3,000 or notified that the 1987 bonus pool percent of the said that 3,000 or notified that the 1987 bonus pool percent of the said that 3,000 or notified that the 1987 bonus pool percent of the said that 3,000 or notified that the 1987 bonus pool percent of the said that 3,000 or notified that the said that 3,000 or notified that 3,000 was reduced by about 20 percent from levels a year earlier.

"Some people will get more than they got last year," he said. "But some will get less."

In addition to the cost-cutting measures, Kidder said it intended to reorganize its operations to focus better on a dual strategy cen-tered on capital markets activities and its retail brokerage business.

Mr. Chapman emphasized that the cuts announced Friday were the result of Kidder's own review, and had not been ordered by GE or by John F. Welch, the parent company's cost-conscious chief executive.

Mr. Long, of Lipper Analytical, took a different view.

"There is no doubt in my mind that GE had a hand in this," he said. "Prior to GE's investment in Kidder, the firm was one of the most paternalistic on Wall Street, one that paid out high bonuses and found it hard to let people go. I don't think Kidder would have roll at the start of 1986.

Mr. Long said that as Wall

Kidder, which is 80 percent

owned by General Electric Co., is owned by General Electric Co., is a 12 percent to a 15 percent reducout a lot of prodding from General

# **Hong Kong Banks Cut Rates** To Discourage Speculation

HONG KONG — Hong Kong's major banks are to slash interest rates Monday by up to 1.25 percentage points to discourage speculation that the British colony's currency would be revalued.

Banks said Saturday they would lower interest paid on deposits of one to two weeks to a meager annual rate of 0.5 percent, from 1.75 percent. The move brought some short-term rates to their lowest evels in nearly a decade. The colony's two major banks, Hongkong & Shanghai Banking Corp. and Standard Chartered, also said they would cut their prime lending rate, the interest on loans to their best customers, by half a

point to 5.5 percent, the second half-point cut in a week "This should discourage speculative positions in the Hong Kong dollar," said John MacKenzie, area general manager of Standard Chartered Bank and head of the Association of Banks.

Lowering interest rates discourages speculators from holding local currency investments. The Hong Kong dollar has remained on the strong side of its peg of 7.80 to the U.S. dollar, despite already low. interest rates. It closed Friday at 7.7670. The Hong Kong dollar has strengthened recently because of the weakening U.S. dollar and calls from Washington for a revaluation of

the colony's currency to cut a trade surplus with the United States. The bank association also said it was convinced that the government would not change the peg of 7.80. Banks left at 1.5 percent the interest rate on savings accounts. But the association recommended that interest not be paid on deposits of more than 500,000 dollars (\$64,375) to prevent big investors from

taking advantage of a concession to small depositors.

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The Business Exchange, 21 John Adam Street, London WC2N 6JG, England, Fax: Lauskon 374-5779

### From Shop Hours to Services, Bonn Is Urged to Loosen Up tion," said Wilhelm Helmstädter. an economist at the University of

By Ferdinand Protzman International Herald Tribune government's new investment plan, many leading economists expect slow growth and high unemployment to drag on unless deregulation and a drive for flexibility can loosen West Germany's rigid eco-

nomic structure. More far-reaching expansionary changes — for example, liberaliz-ing West Germany's strict laws on Policy Research in London. shop closings — face myriad obsta-cles, some of the nation's foremost the uncertainty and risk of the economic experts said at an inter-national conference Friday.

The obstacles to altering labor oriented economy are rooted in political, social and psychological factors, they asserted. "Competitiveness requires inno-

vation, not just adaptation or adop-

MUNICH - Despite the Bonn Münster and a member of the council of five experts that advises Chancellor Helmut Kohl's conservarive government.

Mr. Helmstädter spoke at a conference comparing British and West German neoconservative economic policies. The conference was sponsored by Munich's IFO institute and the Center for Economic

global economy is crucial," Mr. Helmstädter said. "We have too many old markets and too few marlaws or developing a more service- kets with evolutionary aspects." Yet the Bonn government must

weigh the benefits of such changes against their political and social costs, he added. "If one looks at See BONN, Page 15

# Kingdom of Sweden

U.S. \$750,000,000

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In accordance with the provisions of the Notes, notice is hereby given that for the six months interest period from 7th December, 1987 to 7th June, 1988 the Notes will carry an Interest Rate of 75% per annum.

Morgan Guaranty Trust Company of New York London Agent Bank



interest payable on 7th June, 1988 will amount to U.S. \$403.49 per U.S. \$10,000 Note.

# TOIL Ex 445 9.86 TOIL Ex 128 12.88 Notice 128 12.88 Notice 128 12.88 Notice 128 12.89 Guard 28.97 NULlisted 12.80 Notice 12.89 Heidin 13.29 1.47 Heilin 14.29 1.47 Heilin 12.29 Bin Boy Addition of the Control of t Stritine 12.88 12.81 Stritine 15.97 16.44 Tox Ex untovali Extensive 11.30 12.97 Gerothe 12.30 NL Extensive 11.30 12.97 Gerothe 13.97 6.18 Hilling 17.97 6.18 Mutual **Funds** NEW YORK (AP)— The following quotoflots, suspiled by the National Association of Securities Dealers. Inc. are the pricers of which these securities could have been sold (Net Asset Yotur) or bought (value stus sales charge | Fridgy. Bid Ask AAL Coo 7,43 7,80 AAL Inc. 7,40 1,98 AAR, Jenstin C. 1,40 AAR, Jenstin C. 1,4 14.74 NL 11.42 NL 11.42 NL 14.42 NL 14.42 NL 14.42 NL 19.44 NL 19. 7.00 (1.00 ( 19:22 19:40 | Group: | 17:43 19:27 | 27:70 | 10:33 11:51 | 12:42 13:28 | 13:29 13:51 | 13:40 13:51 | 14:40 NL | 14:40 AAL Coo 7.20 7.80 AAL Coo 7.20 7.80 AAR P (1975) CORGY 1825 NL GENERAL 1825 NL GENERAL 1825 NL GENERAL 1825 NL GENERAL 1825 NL TAFFSH 1829 NL ASTOCIO LINGWILL 1826 NS CONSTITUTO NS AMERY FROMS: ClassGt 8.77 NL GROSS NS AMERY FROMS: ClassGt 1829 NL AMERY FROMS: Count 1826 NL AMERY RAME AMERY RAME AMERY RAME COUNTY 1829 NL AMERY RAME COU 1239 NILL 1339 N 24.57 24.13 4.63.53 4.63.74.15.53 4.63.74.15.53 4.63.74.15.53 4.63.74.15.13 12.77 12.67 12 15.21 M. 9.20 M. 5.45 M. 5.45 M. 5.46 M. 5.41 M. 5.41 M. 6.44 M. 6.45 | Mail | phon; 5.133 (1.125) (1 69: 12.57 10.40 12.57 10.40 11.40 8.55 9.24 10.53 11.59 11.64 11.62 2.35 NL 1 Resc: 8.46 10.70 NL 9.25 9.71 TXFU INA 11.14 DIT Penads: CoGih INA INA Currit 9.45 NL GVISC 9.43 NL GVISC 9.43 NL Destiti 13.36 Destiti 13.36 Destiti 13.36 Dock 81 28.97 NL Dock 82 29.41 NL Dock 82 29.41 NL Dock 82 29.41 NL Dock 83 29.41 NL Dock 83 29.41 NL Dock 83 29.41 NL Dock 83 29.41 NL Dock 84 28.97 NL Dock 84 28.97 NL Dock 85 29.41 NL Dock 85 29.4 Sol Vot 923 18.31 Sol Vot 923 18.31 Sol Vot 938 MI Metilde States 1: Coo Ap 234 245 Eqinc 9,11 2.35 Milling 4,11 2.35 Milling 4,11 2.35 Milling 11,24 Milling 12,24 Milling 12,24 Milling 12,25 Milling Pocht 5:5 ML Select 4:33 ML Tech 7:22 ML Tech 7:22 ML Tech 7:22 ML Tech 2:32 ML Tech 2:42 ML FetEople 2:5 ML FetEople 2:5 ML For 1:1:5 9.25 9.71 10.20 10.71 10.22 10.83 19.22 10.83 19.22 10.83 11.70 12.22 11.70 12.22 11.70 12.23 11.70 12 21.88 N.L. 17.88 N.L. 12.25 NL 12.26 NL 12.26 NL 12.26 NL 12.21 NL 12.21 NL 12.31 NL 13.32 NL 13.33 NL 13.33 NL 13.33 NL 13.33 NL 13.33 NL 13.34 NL 13.35 NL 13.37 Addison Equation Equatio In High Low Chase Crips Structor Summir The Structor Summir S Soles In 100s High L 225 846 2567 766 2267 NASDAQ National Market OTC Consolidated trading for week ended Friday. 为与这种形式,是他们的一个人,我们也是一个人的一个人,我们就是一个人的一个人的,我们们是一个人的一个人的,我们们们的一个人的人,我们们们的一个人的人,我们们们们的一个人的人,我们们们的一个人的人,我们 Simpling Sim Sindery Strict S 25 12 200e 7.4 38 7.1 22 13 23 24 52 24 1.160 49 1.20 24 1.30 32 24 48 Richilm Richil

# Philips Hopes to Buck Investment Trend in China

Reuters

EINDHOVEN, Netherlands —
The electronics giant Philips NV, undeterred by the fading euphoria about investment prospects in China, is planning a range of joint ventures there.

Although Philips lags behind its main Japanese competitors in China in terms of sales, it is the top foreign investor in the Chinese of the control of

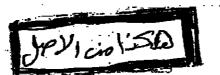
ventures there.

Although Philips lags behind its main Japanese competitors in China in terms of sales, it is the top foreign investor in the Chinase of clectronics industry, said Cees Section, the Dutch company's chief executive for Chinese activities.

"China is an integral part of our expansion strategy in Assa," he said in an interview. Mr. Seelen said that Philips would invest several hundred million dollars in China in the next two years.

Philips' annual sales in China now stand at about 300 million guilders (\$159 million), compands for the large and thrifty coastal guilders (\$159 million), compands that production in China, but that it is found in the sales could rise to 1 billion guilders within five years. Mr. Seelen said.

Last month, Philips announced the completion of agreements for the seales completion of agreements for the seales could agree to support that the seales could rise to 1 billion guilders within five years. But Chinase sales could rise to 1 billion guilders (\$159 million), compands that the completion of agreements for the chinase fiber tables in Maning guilders (\$150 million tubes would amount to more than 10 million tubes annual output capacity of 1.6 million tubes would amount to more than 10 million tubes annual tu



T 1135 9th 1137 75th 1137

# New International Bond Issues

		Amount (millions)	Mat,	Coup.	Price	Price end week	Terms
	FLOATING RATE NO	<u> </u>			-		
Talk Fail by	For West Copital	\$ 75	1993	0.325	100		Over 3-month Libor. Noncatioble. Poyoble Jon. 13. Fees
Trini.		\$ 30	1992	0.21	100,10		0.46%. Denominations \$100,000.  Over 6-month Libor. Noncolloble. Fees 0.11%. Denomina-
A. C. S. S. S. S. S. S.	FIXED-COUPON					<u> </u>	tions \$100,000.
	Tokyo Metropolis	\$200	1993	<del></del>			<del></del>
	. Hank at Creece	- DM 300		91/2	1011/2	100.00	Noncolloble, Payable Jan. 7. Fee; 1%%,
	Commerzbonk	DM 300	1992	5%	99%	98.10	Nancaficible. Payable Jan. 5. Fees 2%.
			1993	5%	100	99.05	Notcollable. Payable Jan. 7. Fees not disclosed.
- Alexander	Ferrovie della Stato	DM 500	1993	5%	100¼	99.20	North Maria Communication of the Communication of t
	Industrial Development Bank of India	DM 200	1994	6%	1001/2	<del></del> -	Noncollable, Payable Jan. 15. Fees 2%. Noncollable, Fees 2%%.
	Zonders Int'l Finance	DM 75	1995	61/4	100	99.05	Manufalla Bankla and and
	Goodman Fielder Industries	€ 150	1992	10%	100%	99.50	Noncollable, Payable Jan. 7, Fees 24%. Noncollable, Fees 13/%.
	Royal Trustco	£ 50	1992	10%	1011/2	99.75	Noncolloble, Fees 1976.
13	Mobank Nederland	DF 100	1993	61/4	100%	7733	
- 18" S 20 11 15 -	Postipankki	DK 250	1993	- 11			Noncollable private placement. Payable Jan., 15.
	Crédit Foncier de	EQU 50	1994		101%	98.88	Noncollable, Payable Jan. 14, Fees 17/%.
	France	5.0.50	1774	7%	97%	_	Noncollable private placement.
	China Int'l Trust & Investment	Y 15,000	1993	5%	102%	99.50	Nancollable. Payable Jan. 20. Fees 1%%. Denominations 10 million year.
4	Crédit Foncier de France	Y 20,000	1994	51/4	10114	99.38	Noncollable. Feet 1%%.
	EQUITY-LINKED						<del></del>
	Ranks Hovis McDaugali	£ 59	2003	open	100		Coupon indicated at 4% to 5%%. Redeemable in 1993 to yield 9%%. Convertible or 350 pena per share, a 19% premium, Fees 29%. Terms to be set Dac. 8.
	WAPPANTS						

# EUROBONDS: Disillusionment With Dollar Fixity

(Continued from first finance page)

WARRANTS

to bring forward promised German tax cuts, the next response is expected to be a unilateral revaluation of the mark within the European monetary system or, less likely, a re-imposition of the Bardepot ax used in 1972 to deter inflows of hot money.

In any event, the 1.375 billion DM of Eurobonds launched last week met a favorable response. The short maturities were a plus, as was the fact that three of the issues were state-guaranteed — the Bank of Greece for 300 million DM; Italy's state railway Ferrovie dello Stato for 500 million DM, increased from an initial 300 million; and Industrial Development Bank of India for

By Carl Gewirtz

PARIS - Medium-term notes,

signed to fill the gap between

than one year and the bond market,

where life generally starts at five years, should flourish, proponents by the proposition of the proposition

The major beneficiary of the un-certain outlook for longer-term

INTERNATIONAL CREDIT

dollar interest rates has been the

Euro-commercial paper market. But bankers say there is demand

for longer term paper that cannot be filled by CP and is unwilling to

In the United States, the medi-

um-term note market has expanded

over recent years to about \$40 bil-

hon outstanding. Proponents are

persuaded that the international

market, although slow to take off,

is ripe for expansion. The main

problem, they report, is a paucity of paper.

As in the commercial paper mar-ket, issuers can channel demand to

preferred maturities by proposing

attractive rates. Spain, for example, last week was offering to sell one-year paper for a yield of 71 basis

points over Treasury paper, where

as proposed terms on longer dated

issues were a spread over Treasur-

Dealers report no investor inter-

han 65 basis points over Treasur-

Corporate yields are higher, with

GMAC, the financing arm of Gen-

eral Motors Corp., last week post-

ing prices of 97 basis points over

Treasuries for paper maturing be-

tween one year and 18 months.

The latest entry to the market

announced last week is SwedBank.

Gasunie NV, the Dutch gas suppli-

er, announced plans to tap both the international and U.S. market with

programs of \$150 million each. Ci-

ticorp is arranger and will be joined by Morgan Guaranty as dealer.

chemicals company, will offer up to \$200 million of Euro-CP, with

Swiss Bank Corp., Morgan Guaranty and Union Bank of Switzerland named as dealers.

Chemicals and metals group Klöckner & Co., the first West Ger-

nounced. It is continuing to use the

now outmoded method of asking a

option facility. This is made up of

an underwritten portion, amount-

ing to \$350 million, and an equal

ender panel, made up of 35 banks,

Ciba-Geigy AG, the Swiss-based

ies in the low 50s.

tively closed.

go into bonds.

ey-market instruments of less

nal Heráki Tribune --

Ferrovie, offered at 1001/4 bear-

ing a coupon of 5% percent, was foreign banks now operating in priced to yield less than the 51/2 percent available on domestic government paper —a reflection of the preference for Eurobonds following the government's plans to impose a withholding tax on domestic interest payments.

Foreign bankers made much of the fact that the issue for Ferrovic, considered a client of Commerzbank, was managed by Bayerische Vereinsbank. India, whose issues had been led by Dresdner, used Commerzbank for its latest issue.

West German bankers said the switching was not extraordinary. But it was taken by foreign bankers as a sign that issuers are becoming more "transaction-oriented," or

which it can issue Euro-CP.

do not currently do business.

don interbank offered rate, plus

utilization fees of 3½ basis points if

less than one-third is used, 71/2 basis

points for up to two-thirds and 121/2

The French market, which has

basis points for more than that.

targeted at foreign banks operating in France and hungry for new busi-

ness, remained active with Roussel

Uclaf SA, a pharmaceuticals and

arrange a five-year facility of 1 bil-

The annual fee is 5 basis points. To draw in francs, the lending charge is 10 basis points over the

interbank rate. To draw in foreign

will be accepted.

carries an annual fee of 4 basis

its for the first three years and

The five-year committed facility points for more.

then 5 basis points. The initial fee is million note-issuance facility under

aggressively low, bankers said, but the direction of Barclays Bank.

banks accept low fees in return for of 6% basis points. CTTIC will pay an opportunity to get their feet into 7% basis points over the interbank

the door of a client with whom they rate to draw on the facility, plus

ten credit, it will pay the flat Lon- 4 basis points if more than 70 per-

seen a flood of low cost facilities asked to bid competitively.

chemicals company, appointing the option to extend the life to five Crédit Commercial de France to years.

cent is used.

West Germany a chance to lead more issues. Bankers also reported strong,

steady buying of Euroyen paper, particularly from Japan. The 15 billion yen issue from China International Trust & Investment drew strong support from institutional investors in Japan, who enjoy a tax credit on loans to China

In Eurosterling, Goodman Fielder's £150 million issue, increased from £125 million, drew support as an asset swap. Offered at 1004 with a coupon of 10% percent, the paper yielded about 1.8 percentage points more than comparably dated government issues and could be swapped to create a synthetic floating rate instrument

Banks are being asked to under-

utilization fees of 2 basis points if

Black & Decker, combining the

underwrite a £100 million facility.

The life of the facility is extendable to three years, at the compa-

ny's option, for an extension fee of

5 basis points. Banks then will have

Interest on drawings in the second and third years will be set at ¼ point over Libor, rising to ½ point

if the maturity is extended. The

commitment fee on undrawn

amounts in the first year will be

ing to foreign governments.

The fund's latest figures also show that Third World countries willing to do business based on yielding I percentage point over competitive pricing and give the London interbank offered rate. Filling a Gap, Medium Is the Message sized uncommitted portion against amount to 3 basis points for draw-

"Almost all of this increment reing up to 50 percent and 6 basis flected higher official foreign exchange reserves and came mainly China International Trust & In-

randum." Taiwan has been accumulating dollar reserves in large part by As in other market sectors, write \$125 million for an annual fee heavy sales of its goods to the United States. U.S. officials complained that Taiwan authorities have not let their currency rise in value against

If Volvo draws on the underwrit-more than 40 percent is drawn and Mexico has been accumulating other goods in addition to the oil features of a note facility with a that has been its mainstay in recent years. Many of the new goods are revolving credit, is asking banks to During the first year, banks will be

> Last month when many wealthy Mexicans wanted to sell pesos and buy dollars, the Mexican government held on to its reserves of dollars and allowed the price of the peso to drop sharply.

# **METALS:** Sharp Price Increases

Utilization fees on both portions points thereafter.

currencies, the charge is Libor flat. 121/2 basis points, rising to 15 basis

(Continued from first finance page) prices rose in May and kept rising, at for sovereign notes yielding less despite analysts' projections to the

Buyers and sellers are wary of price rises, according to analysis. Producers have taken such a knock over the past few years, they're a bit skeptical," said Philip Tomlinson, senior consultant on copper at the Commodities Re-

search Unit in London.

For example, there are a few announced last week is Sweiden.

Arranged by S.G. Warburg, the \$200 million program will be offered by a group of dealers including Warburg, First Chicago, Mernil Lynch and Salomon Brothers.

In the CP market, Nederlandse idle copper mines around the world, he said. "Nobody's rushing to announce they're going to open

them back up."
Many metal mines and smelters, in copper and aluminum in particular, were closed in the early 1980s because of low prices. Standard aluminum used in the

canning and aircraft industries. which was being quoted in early December at just under £900 a ton for three-month delivery, is above 986 levels of about £800 a ton. Lead, a mainstay in the battery

industry, stayed above its £280-a-ton 1986 average in 1987, and was trading around £350 a ton in early December. man company to tap the market in 1985, said last week it was enlarging its program to \$100 million from the \$60 million initially an-

Only zinc, used in protecting steel and in the construction and transportation industries, saw a downturn in 1987, to £476 a ton from an average £540 in 1986.

Tin has still not resumed trading on the London Metals Exchange. The contract was stopped in 1985

Volvo AB, the Swedish automaker, is seeking a \$700 million multicil, which bought and sold metal to The price in Europe in early December was just over £3,800 a ton,

against £3,600 to £4,500 a ton in the

second half of 1986. The increase in metals prices has been beneficial for producing countries, but the news is not all

Economists said Chile, the world's leading copper exporter, would earn extra profits of \$400 million in 1987, a relief to officials worried about financing growth without balance-of-payments problems. But analysts in Chile say that in

the long term, the price rise could encourage consumers to substitute other materials for copper. For example, in the electricity, construction and motor industries, copper is already being challenged by fiberoptics, plastics and alumint

### Airbus, U.S. Firm Share \$1.8 Billion Iberia Order

MADRID — Airbus Industrie and McDonnell Douglas Corp. have won contracts to replace the aging fleet of Spain's state-owned GM's bonds are currently rated airline Iberia, the carrier said Sat-Aal, Moody's second-highest cateaging fleet of Spain's state-owned

15 A-320s in 1990 and 1991, and cight A-340s in 1994 and 1995. Mc-Donnell Douglas will provide 17 MD-87s in 1989 and 1990. Iberia said it was paying a total of \$1.06 billion for the A-320s and MD-87s. and \$700 million for the A-340s. The carrier wants to replace its 30 DC-9s, with an average age of 16 years, and 10 Boeing 727s.

## EMS: France, Citing Low Dollar as 'Threat,' Calls for Strengthening of System

(Continued from Page 1) excessive revaluation of their cur-

WASHINGTON — The Inter-national Monetary Fund said Sunday that U.S. banks and the lending institutions of other industrial nations lent \$3 billion more to got back during the first half of 1987.

Third World

Borrowings

**IMF** Cites

Mexico in

The IMF, releasing figures for the first six months of the year, said "involuntary lending" to Mexico accounted for all of the difference. In those six months banks paid out \$3.5 billion in "concerted" loans to Mexico, which already owed over \$100 billion. Banks call that involuntary lending, since it is made only under pressure from the 151 governments that own the fund. The United States holds the

In the same period last year, banks got back \$7 billion more from the Third World than they

largest block of votes.

In recent years, banks have been making few loans on their own ini-tiative to heavily indebted countries, despite urgings by Treasury Secretary James A. Baker 3d and

The World Bank, the fund's sister organization, estimates Third World debt at more than \$! trillion. The fund offered no new figure but said total debt rose in the first half of the year not only because of the new loans but also because Third World countries fell behind another \$2 billion in payments of interest on old ones.

Brazil caused a major jump in the arrears by suspending its interest payments last February on about \$68 billion of its debt to

Payments of interest and small amounts of principal are costing Third World countries about \$30 billion a year, an expense their leaders complain has crippled development. Traditionally, developing coun-

tries borrow a lot more than they pay back. Ideally the money goes into new projects that create jobs and raise living standards. "Hundreds of banks now just say

no" to new Third World loans, according to Robert D. Sloan. Until earlier this year he was the vice president at the First National Bank of Chicago in charge of lend-

increased their deposits in banks by \$18.5 billion the first half of 1987, compared with \$18 billion in net withdrawals in the first half of

from Taiwan . . . and Mexico," said the fund's monthly

the dollar as much as other currencies have done.

reserves by increased exports of produced by Mexican factories close to the U.S. border. They use Mexican labor, which earns much less than U.S. labor, to process ma-terials from the United States.

## **RATINGS:** Debt Downgraded

(Continued from first finance page) of loans by commercial banks to less developed nations was acceleraring and could cause further earnings setbacks. Earlier this year, many major

U.S. banks, as well as several in Britain, increased their loan-loss reserves by billions of dollars to take account of problem loans to developing countries.

Because of those provisions, U.S. banks had an overall loss of \$10.6 billion in the second quarter of this year, the first loss since the Depres-

Citicorp, the leading U.S. bank, which in May set aside \$3 billion to cover possible loan losses, said it was puzzled by the timing of Moody's announcement. "CitiCorp believes that major banks and bank holding companies are, in general, much stronger as a result of a significant increases to

loan loss reserves," it said in a (Reuters, UPI) ■ GM Rating Under Review Moody's has announced that it will review the bond rating of Gen-eral Motors Corp., which has \$54 billion in long-term debt, The New York Times reported from Detroit.

airline Ibena, the carries sworth a gory.

total of \$1.8 billion.

The rating service said Friday that it would consider the effects wight have increased competition might have on GM's market share and profits. In recent years, GM has lost share to Ford Motor Co. and to overseas manufacturers, many of which are building U.S. assembly plants.

Fourteen months ago, Standard . & Poor's Corp. lowered GM's rating to Aa minus, its third-highest category, from Aa.

rencies against the dollar. He said that "the most pragmatic, progressive solution in the short term" was a strengthening of the role of the European Monetary Co-operation Fund, which is used by central banks to smooth exchangerate fluctuations through intervention on currency markets.

The Deutsche mark's recent strength against the dollar has led to severe strains within the EMS. particularly against the weaker cur-rencies such as the French franc. In a clear reference to West Germany, Mr. Balladur asserted that countries with the most restrictive monetary policies should not be in

other members of the system.

The EMS links the mark; the French, Belgian and Luxembourg francs; the Italian lira, the Dutch guilder, the Danish krone and the Írish pound.

a position to impose their views on

the currencies can fluctuate against one another. Referring indirectly to the lira, Mr. Balladur argued that all member currencies should have the same allowable percentage range for variations.

The Italian currency is allowed a wider range of fluctuation than

Speaking a day after European Community leaders failed to solve the community's budget crisis at a summit meeting in Copenhagen, Mr. Balladur said there was too little convergence in policy among European economic He also criticized the EMS itself

other currencies in the system.

ity to influence the relationship between European currencies and those outside the system.

In Basel on Monday, central bankers will open two days of pri-vate talks at the Bank for International Settlements, described as the

central bank of central bankers. Policy initiatives approved at the organization's monthly meetings rarely are made public. But the talks will be closely watched because of mounting concern that the

stock market downturn could lead

to a world recession. Major European countries ap-

shrinking population." Other economists more pointed-ly criticized the government's re-The EMS sets ranges in which

my.

They argued that no significant from the

"A one-sided policy, only on the supply side, has no chance of improving the situation, just as strictly demand-sided policies wouldn't

n interest rates last week in an on the other. effort to brake the dollar's fall and boost their own economies.

The Respan administration and U.S. congressional leaders, meanwhile, have reached a tentative agreement on cutting the huge U.S. budget deficit, which is widely seen as the central problem facing the

world economy. But many economists doubt that such moves will be enough to stabilize the dollar or rectify the huge imbalances in trade and payments between Japan and West Germany

for what he described as its inabil- proved a round of coordinated cuts on one hand and the United States

Central bankers are expected to discuss what steps they should take to halt the dollar's slide as well as economic goals for 1988, which are fixed by many monetary authorities at the end of the year.

The stock market collapse has made it difficult for governments to set targets for economic growth, spending and the money supply. West Germany's Bundesbank. which had been due to set a new target for money supply on Dec. 17, has delayed its decision for a month. (Rewers, AFP)

## BONN: Built-In Rigidity Stalls Growth, Economists Say

growth anymore, and we have a

cent efforts to stimulate the econo-

upswing would result from the Bundesbank's reduction of its key discount interest rate Thursday to 2.5 percent, nor from Bonn's 21 billion Deutsche mark (\$12.8 billion) program to provide cheap, government-backed credits to municipalities and small and mediumsize businesses.

(Continued from first finance page) help," said Hans-Jürgen Krupp, long-run perspectives, we don't head of the DIW economic institute any extensive component of tute in Berlin, one of five research institutes that advises the government,

> Moving up tax reforms sched-uled for 1990 would help, he added. Martin Hellwig, a West German economics professor who teaches at the University of Basel in Switzerland, shared Mr. Krupp's pessimistic view, particularly on unemployment. But he said that necessary change is often thwarted by "an ossification of economic

As an example, he described an "unholy coalition of local employers and municipalities preventing new businesses from getting the regulatory approval needed to ac-quire land and build on it." "This goes on all the time," he

Mr. Krupp said that slow increases in wages and more evenly expansive fiscal and monetary policies might be a solution to acceler-

ating West German growth. Raising the nation's budget deficit through higher spending also would help stimulate demand, he said, but there is no indication whether the Kohl government will

actively pursue such a course. "We have more public debt that can be used for demand purposes." said Mr. Krupp, the DIW institute head. "Now that the Americans can no longer fuel global economic growth by running deficits, no one else is willing to step in to do it. In a phase of economic weakening, let-ting public indebtedness rise is nec-

# OPEC: Quarrels, Market Forces Set the Stage for Another Price Collapse

(Continued from Page 1) Saudi Arabia, to deepen Iran's iso-

lation within and outside OPEC. Iran's determined pursuit of the Gulf War and the riots of Iranian pilgrims in Mecca in July, as well Iran's growing menace in the Gulf, have embittered Saudia Arabia.

Oil analysts say that virtually all of the oil sold by OPEC members is now discounted at \$1 to \$3 below the benchmark price of \$18 a barrel that OPEC set a year ago and worked hard to maintain until a

few months ago. In addition, the group's 13 members are producing more than 2 million barrels a day above its mandated collective quota of 16.6 million barrels a day, flooding the markets with cheaper oil.

"If the current price discounting we are hearing about is in fact being carried out by certain coun-tries," Sheikh Ali of Kuwait said in an interview with the weekly newsletter Middle East Economic Survev. "this will definitely lead to a repetition of 1986."

Oil analysts say this winter will be OPEC's toughest test.

Among other things, the over-production by OPEC at discounted prices has led all oil companies to the call on OPEC oil early next year hoard the cheap oil in anticipation

of using it in the winter. This means that oil companies will not buy as much as they usually do in winter, and then they may unload the cheap oil, flooding further the glutted markets. This unloading, some analysts say, could reach the rate of a million or more barrels a day.

Another ominous factor is the possibility that recessionary pres- the chances are about equal that lanse in mid-October may reduce already meager demand for oil next There is also new oil output.

about 200,000 barrels a day, at the same time OPEC meets in Vienna. Syria, which is not an OPEC member, is boosting its exports by 66,000 barrels a day and other producers around the world are put-ting a total of 500,000 barrels of new oil into the markets, Mr. Ter-

zian of Petrostrategies estimates. John Lichtblau, president of the but it is not good for OPEC."

search industry Foundation, said him barrels of oil a day. the call on OPEC oil early next year
will be below 17 million barrels a

Last week it said it would cooperate with OPEC and lower its outfar above that.

The likely upshot, analysts speculated, is a steep fall in price. "We are putting odds at two out far rejected.
of three that OPEC prices reach For their

\$15 per barrel by mid-February 1988," said Charles T. Maxwell, a Wall Street analyst with Cyrus J Lawrence. If that happens, he said, sures from the stock market col- prices will fall to \$12 a barrel by mid-May.

More than ever before, the Gulf War is at the heart of OPEC's problem. A bitter dispute about how North Yemen will start to produce much oil Iraq and Iran are entitled to produce under the complicated formula of OPEC's quota system appears intractable.

The real question is, will Iran accept parity with Iraq, and, if it does not, whether we will give the quota to Iraq anyway and conclude an agreement with Iran," the Arab Gulf source said. "This is possible,

day, while the group is producing put to take pressure off world prices, but only if it is given parity with Iran's quota of 2.3 million barrels a day, a position Iran has so

> For their part, the Iranians have insisted that the Iraqi quota remain at the OPEC mandated level of 1.5 million barrels a day.

> Saudi Arabia and its allies in the Gulf - Kuwait, the United Arab Emirates and Qatar - seem adament in their support of the Iraqi position and prepared to work at isolating Iran in this meeting.

> ■ Iraq Cites New Reserves New oil fields have been discovered in Iraq, boosting its confirmed reserves to about 100 billion barrels of oil, an Iraqi official said Sunday, The Associated Press reported from Nicosia, Cyprus. The AP dispatch quoted an Iraqi News Agency interview with the director-gen-

eral of the state Oil Exploration Co.

# THE BRITISH BANK OF THE MIDDLE EAST SAFEGUARDS OLD VALUES AND TRADITIONS

Today's world is one in which we've all become accustomed to instant communications and sophisticated information systems.



A world in which it's perhaps all too easy for us to forget that some things are simply too important, too precious to be

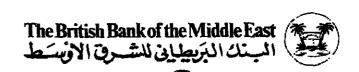
The patience and intricacy with which Arab fishermen weave a net is a form of craftsmanship that has been passed down from father to son for generations.

The British Bank of the Middle East has been actively involved in the Arabian Guif for more than ninety years. And in all that time we've been as careful to safeguard the skills and values of the past as we've been committed to develop the skills and technology of the future.

It's a philosophy which has helped us to establish an unrivalled range of financial services to meet the needs of the region. And leaves us ideally placed to help you profit by our experience.

Backed by the vast resources of the HongkongBank group, we also offer you direct links to more than 1,300 bank offices in 55 countries.

Not forgetting, of course, the full benefits of almost a century's professionalism, integrity and trust.



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# **SPORTS**

play nearly as well in their semifi-

final for the first time, while Lendl

s going after a record lifth title.

Wilander, who won only two

I COULD HEAR YOU STARING...

YOU MIGHT ASK WHAT

WALES.

O

"You have to go for returns against him. Otherwise, his volleys are too

good.

# **SPORTS BRIEFS**

# **Woosnam Takes Million-Dollar Golf Event**

to his second consecutive 4-under-par 68.

Faldo finished 68-71-278; David Frost was third with a 280 total, while South African compatriot Fulton Allem, the leader through the first two rounds, faded to

# Holyfield and Park Winners in Title Fights

ATLANTIC CITY, New Jersey (AP) — Evander Holyfield knocked out Dwight Muhammad Qawi with a crushing right to the jaw in the fourth round and retained the International Boxing Federation and World Boxing Association cruiserweight

on Sunday in Scoul, Park Chong-pal won the World Boxing Association supermiddleweight title by knocking out Jesus Gallardo of Mexico 27 seconds into the second round. The Associated Press reported. Park, the International Boxing Federation supermiddleweight champ, was the top contender and Gallardo second-ranked in the newly created WBA division. Park's record is 44-3-1, while Gallardo nal and Wilander played much bet-

With one minute gone in the fourth round, Holyfield hurt the 34-year-old Qawi

QUEBEC (AP) - The Quebec Nordiques fired coach Andre Savard late Friday, 24 games into his first National Hockey League season, and replaced him with Ron Lapointe.

points on Edberg's serve in the first set Saturday, returned brilliantly in Savard, 34, was named June 19 to succeed Michel Bergeron, who left to Edberg's serve three times en route become coach of the New York Rangto winning the set in 39 minutes. to winning the set in 39 minutes.
Edberg, who had 28 unforced errors, broke to take a 3-1 lead in the second set. But Wilander broke

back in the next game and they remained on serve until the final game, which went to 30-all before Wilander netted two straight shots to end the set. Edberg fell behind 4-0 in the Hockey League. third set, losing two service games

MUST BE

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fending champion Ivan Lendl Wilander to make it 5-3, but Wireached the Masters tennis champi- lander broke back in the next game straight-set victory to edge out Gil-

onship final Sunday for the eighth to win the match, straight time with a 6-2, 6-4 victory over eighth-seeded Brad Gilbert Sunday, while No.3 Mass Wi-On Saturday, Lendl beat Boris Becker, 6-4, 6-7 (3-7), 6-3, eliminat-ing the West German from the lander beat fellow Swede Stefan Edberg, 6-2, 4-6, 6-3, in the other round-robin tournament and giving Gilbert the last semifinal berth, while Edberg beat Wilander, 6-2, 7semifinal at Madison Square Gar-

Becker, the No. 5 seed who had Lendl needed only 87 minutes to beat Gilbert for the second time in lost the last two Masters finals to Lendl, needed to beat Lendl in straight sets to advance. Wilander and Gilbert, who both the round-robin tournament and 4th time overall without a defeat. He beat Wilander earlier this year

Edberg had won 15 straight their four-man groups. Becker, too, matches going into the semifinals, including a straight-set victory over Wilander in round-robin play Saturday. But the No. 2 seed didn't in the French and U.S. open finals finished the round-robin with 2-1

"He played horribly in the first set because there was pressure on him, but once he realized he was out of the wastern their first set, losing only two points on serve, and appeared in the control of the wastern their first set, losing only two points on serve, and appeared in

out of the ruming, he started to hit good, said Lendl, who raised his off two match points in the next off two match points in the next off two descriptions in the next off two match points in the next off two match points in the next off two descriptions in the next of the next of

Lendl saved two break points and volley on the second. Wilander then went on to win the game when the came up with two straight passing 20-year-old West German mis-hit a shots to even the set at 5-all. backhand. The only break of the set row, then netted a forehand.

Lendl, Wilander Advance to Masters Final

The Associated Press on double faults, and couldn't dig Lendl. But under the complicated NEW YORK — Two-time dehimself out of the hole. He broke Masters rules the two-time Wim
Without to make it 5.2 has two
Without to make it bledon champion needed a set Masters winning streak which dated back to January 1985, when bert for the last semifinal berth. John McEnroe beat him in the final.

> Becker, plagued by double-faults in his earlier matches, had nine against Lendl. He had a chance to points in the 10th game, but double-faults in the 10th game and held serve to close to 5-4. Edberg had two more match points in the 10th game, but doubletake a 2-0 lead in the first set, but faulted on the first and netted a

> After each held serve, Edberg came in the next game. Becker led, took a 3-0 lead in the tie breaker. 30-15, but double-faulted twice in a Wilander saved a fifth match point at 6-4, but he hit a backhand wide on the next point to end the match. Lendl Wilander and Edberg had clinched semifinal berths Friday

night, Edberg when Wilander of feated Pat Cashand Becker lost Gilbert for the third straight time. Wilander beat Cash, 7-6 (7-3), 6-3. Lendl won the next match when No. 4 Jimmy Conners retired be-cause of illness after falling behind, 4-3, in the first set and Gilbert, who upset Becker at the U.S. Open, bear him again, 4-6, 6-4, 6-4.

Conners, suffering from a cold and ear infection, already had lost his first two matches.

In the Becker-Gilbert match there were five service breaks in the opening set, Becker getting the de-cisive one in the 10th game. After he broke for a 2-0 lead in the second set, Gilbert retaliated in the third game and he broke again in the fifth, courtesy of two double faults by Becker.

There was only one break in the final set, Gilbert getting it in the seventh game, then serving out the 2½ hour contest. Becker had man-

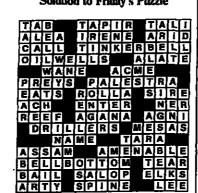
# SUN CITY, South Africa (AP) — Welshman Ian Woosnam, who had held a one-shot lead after Saturday's third round, won the biggest prize in golf history Sunday by clinching the winner-take-all Million Dollar Challenge with an eagle-2 en route

Woosnam, the top money-winner on the European tour this year, had a four-round total of 274 and registered a four-stroke victory over Briton Nick Faldo. On the par-4 17th, Woosnam holed a pitch of 165 yards (150 meters) to seal the victory.

is 19-2 lifetime.

with four jabs and a right to the chin. A left hook floored the challenger, who took a mandatory eight count. Holyfield went right back to work, a right to the head putting Qwai down for good at 2:30. Holyfield, 24, improved to 17-0 lifetime; Qwai "The main thing was I returned much better against his serve," said Wilander, who reached the Masters

# Solution to Friday's Puzzle



**PEANUTS** 

BLONDIE

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BEETLE! STOP

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SYHW.

# NHL's Savard Fired

ers. But his stint lasted less than two months, ending a day after the Nordiques lost for the eighth time in their last nine games.

Lapointe, 38, took over as coach in Fredericton last June. Shared by Que-bec and the Vancouver Canucks, Fredericton is 14-6-3 this season. first in the Northern Division of the American

## Stefan Edberg: Back-to-back matches with compatriot Wilander. aged only three aces.

# WORLD STOCKS IN REVIEW / Via Agence France Presse

#### Amsterdam

The Amsterdam stock exchange posted a sharp loss in dull trading last week, with analysts citing dissatisfaction with the U.S. pact to cut the federal budget deficit. The ANP-CBS general index fell 15 points for the week to close Friday at 198.3, for a loss of 7 percent. Volume for the week was 6.411 billion guilders, up from 6.010 billion the previous week.

#### Frankfurt

The fall of the dollar to record lows against the Deutsche mark depressed West German stock prices last week, with the Commerzbank

index losing 62.9 points to end at 1,296.7. The half-point cut in the Bundesbank discount rate to 2.5 percent had no effect on the market. Volume on the eight exchanges was 7.96 billion DM, down from 9.32 billion the

The biggest losses were in the car sector.

### Hong Kong

Hong Kong stock prices fell steadily last week. The market's key barometer, the Hang Seng index, slipped through the psychological barrier of 2,000 Friday to finish at 1,994.22 points, a loss of nearly 200 points for the week. Average daily volume was 754 million Hong Kong dollars, down from 840 million.

Dealers noted that the decline came despite an interest-rate cut and encouraging results at a government land auction.

# London

The London Stock Exchange lost more ground last week amid persistent worry about the dollar's instability. The Financial Times-Stock Exchange index of 100 shares ended 45.5 points lower, at 1,262.7.

Sentiment initially was gloomy following Wall Street's poor performance and the dol-lar's new weakness. The FISE index dropped to its lowest point in a month, then picked up slightly on hopes of a reduction in the West German discount rate. But the concerted cuts of rates by Britain, West Germany and other European countries failed to revive the market, which came under more selling pressure in line with Wall Street's shump Thursday.

#### Milan

The fragility of the dollar forced Milan stocks downward in thin trading after a sharp

improvement the previous week. The exchange index retreated 3.66 percent for the week to close at 712 points Friday. Among the shares worst hit was Monte-dison, which lost 35 percent in five days.

#### Paris

Prices on the Paris Bourse fell by 6.2 percent last week, with the CAC index ending at 278.3, compared with 296.5 a week earlier. On the basis of spot trend indicators, stock prices have fallen 29 percent since the begining of the year.

## Singapore

Share prices came under widespread selling pressure in Singapore last week, with the Straits Times industrial index losing a hefty 80.87 points, most of it Friday, to close at a 16-month low of 734.98.
Analysts said the downtrend was exacerbat-

ed by an absence of foreign fund managers and small local investors as well as the recent clines in Hong Kong.

Volume for the week rose about 50 percent to 108,6 million units, while value almost doubled, to 203.86 million Singapore dollars.

### Tokyo

Share prices declined on the Tokyo Stock Exchange last week in creatic trading influ-enced by the fall of the U.S. dollar. Share prices had climbed over the two previous

The 225-issue Nikkei stock average, which had advanced 346.67 yen the previous week, posted a loss of 378.82 yen for the week to close

at 22,673,41 yen Saturday. Trading was thin with average daily volume shrinking to 363.2 million shares from the previous week's 585.2 million.

Institutional investors stayed away because of uncertainty about the dollar, analysts said.

#### Zurich

Zurich stock prices plunged 7 percent last week to approach the year's low. The Credit Suisse index finished at 414.2 Friday, against 444.8 the previous Friday and 406.5, the low. on Nov. 10.

Analysis expressed pessimism about the next few days, saying that cuts in West European interest rates came too late to be of use. All sectors suffered losses, including banking.

# Answer: Another name for that old-time harem— THE "LASS ROUNDUP" WEATHER

Answer here: IN OCCUPATION

Jumpies, STAID NOISY DURESS PLAQUE

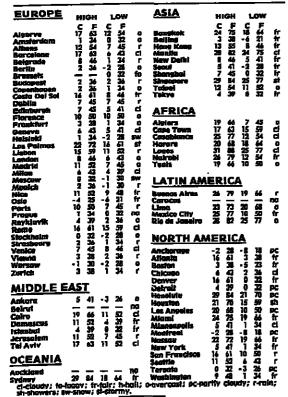
No, you do NOT have the right to remain silent!

JUMBLE THAT SCRAMBLED WORD GAME
by Henri Arnold and Bob Lee

WHAT THE PSYCHIATRIST SAID

WHEN THE PATIENT

THINGS.









# U.S. Reportedly Seeks to Soften Congressional Action on Japan

By Clyde H. Farnsworth New York Times Service

WASHINGTON - President Ronald Reagan's cabinet favors some form of retaliation against Japan for its unwillingness to let American companies compete in Japanese construction projects, administration officials have

But it opposes a measure that was approved overwhelmingly in the House of Representa-tives on Thursday that would bar Japanese companies and suppliers from public works projects in the United States, the officials add-ed. The administration, the officials said Friday, prefers to delay any action until Japan's new prime minister, Noboru Takeshita, visits Washington in late January.

The Japanese construction industry operates like a private club that is difficult for outsiders to penetrate. Its internal structure is widely seen as a closed system of associated companies that have interlocking relationships with the government.

The U.S. House measure, if it lasts through a conference with the Senate and is not vetoed by President Reagan, would keep the Japanese out of all federally financed construction projects over the next year. Japanese contractors do about \$100 million worth of business in the United States annually. They are currently working on an expansion of the Washington Metro and on a Los Angeles subway system. The House bill would not affect existing pro-

Administration officials declined to provide specifics on what kinds of retaliation it would favor, but some trade analysts in Washington characterized the House action as stronger than what might eventually emerge from the White House. The administration is weighing steps similar to those taken in the spring in a dispute over a computer chip pact, in which it would start a retaliatory process under Section 301 of the Trade Act of 1974.

This involves a yearlong investigation by the trade representative's office and then a recommendation to the president that he could accept, reject or modify.

The process requires a determination of the amount of American trade lost by any restrictive practices, and then, should the president agree, action to exclude that amount of trade from the offending country.

Secretary of State George P. Shultz has persuaded the cabinet to postpone any action against Japan until Mr. Takeshita visits Wash-

ngton, the officials explained.

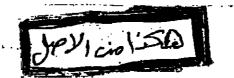
Shultz feels it would be too much of a slap at Japan to do anything during Takeshita's honeymoon period," a senior administration trade official said, "and he's gotten the cabinet to go along." Mr. Takeshita, a former finance

Nov. 6, succeeding Yasuhiro Nakasone, who had a close relationship with Mr. Reagan.

Although they were partially lifted recently, the sanctions resulting from the computer chip case are still in place against Japan. The penalties were the first trade retailstion by Westian. ties were the first trade retaliation by Washington against Tokyo in the postwar period, and they have drawn strong Japanese protests.

The White House opposes the House pro-posal generally because it is legislatively man-dated trade retaliation. "We feel the president must retain maximum flexibility in dealing with foreign governments," a trade official

The House measure was approved by a 399-17 vote, as an amendment to a catch-all spending bill for 1988.



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## **SPORTS**

# Miami and Oklahoma To Meet in Title Game

MIAMI — Second-ranked Miami held off No. 8 South Carolina, 20-16, Saturday night to set up a U.S. college football championship chandrage with Oklahoma showdown with Oklahoma

U.S. COLLEGE FOOTBALL son, Army's run-oriented wishbone offense downed Navy in the service

academies' traditional game For the second straight year, Miami is headed for a title showdown. But instead of traveling to the far-off Fiesta Bowl, where last season the Hurricanes lost, 14-10, to Penn

State, they will play this one in their stackyard, the Orange Bowl.

That's where they completed a second straight 11-0 regular season by beating South Carolina, and that's where they will meet No. I Oklahoma on New Year's night.

Mismi became the fourth team

Miami became the fourth team to put together two straight 11-0 regular seasons since the NCAA added an 11th game in 1970. South Carolina, 8-3 after having a six-game winning streak snapped, will play LSU in the Gator Bowl.

Holder Jeff Feagles ran 24 yards to the South Carolina six on a fake field goal to set up Melvin Brat-ton's four-yard go-ahead touchdown run in the second period.

Feagles's only run this season made him Miami's leading rusher for the game. But sophomore Steve Walsh, the successor to 1986 Heisman Trophy winner Vinny Testa-verde, threw for a career-high 310 yards and was 22 of 40 passing which included his 18th and 19th TD passes of the season.

The Gamecocks' only touchdown came on a four-minute drive and gave them a 13-7 lead early in the econd period, when wingback Ster-Sing Sharpe turned a short pass from Todd Ellis into a 47-yard TD.

Army 17, Navy 3: In Philadel-phia, Bit Rambusch kicked a 40-yard field goal in the first quarter and Andy Peterson and senior quarterback Tory Crawford ran for fourth-quarter touchdowns as Army won the 88th game of the

service academy rivalry.

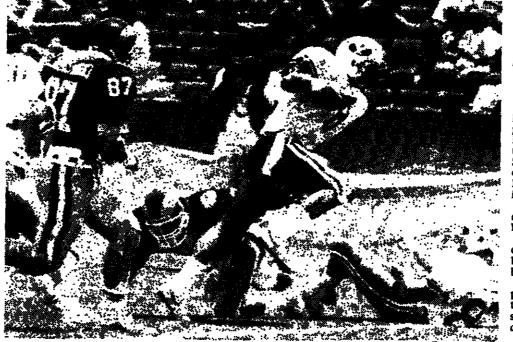
The victory, before a sellout crowd of 68,000, was the Cadets' third in four years and narrowed Navy's lead in the series to 41-40-7.

could not play because of administrative action unrelated to football.

Army (5-6) dominated play but was unable to get a touchdown until Peterson ended a 14-play, 81-yard drive, all on the ground, with a one-ward space into the and your endy In the other major confrontation on the final day of the regular sea During the drive Peterson gained 32 yards on four carries, while Mike Mayweather, who gained 119 yards on 25 carries for the day, picked up 25 on four attempts.

Arkansas 38, Hawaii 20: In Honolulu, junior running back James Rouse rushed for 96 yards and three touchdowns as the Liberty Bowl-bound Razorbacks, scoring three touchdowns in a span of eight minutes of the fourth quarter, inproved to 9-3.

Rouse's 24 carries for 96 yards gave him 1,004 for the season and made him first 1,000-yard rusher at Arkansas since Ben Cowins gained 1,006 in 1978. Rouse has 17 touch-



Matt Bellini, above, caught two TD passes to help Brigham Young beat Colorado State, 30-26, before a crowd of 7,652 in Saturday's Melbourne Bowl. Promoters in Australia's second largest city had hoped to attract about 20,000 to Princes Park Stadium, which seats 32,000.

# Montana Sets Passing Record; 49ers, Redskins Gain Playoffs

GREEN BAY, Wisconsin -- Joe Montana completed his first 17 passes, setting a National Football League record, threw for two touchdowns and ran for another Sunday afternoon as the San Franisco 49ers beat the Green Bay Packers, 23-12, and clinched their fifth straight playoff berth.

Montana threw a 57-yard touch-

down pass to Jerry Rice with 7:32 left that ensured victory.

The 17 straight completions, coupled with five straight the week before, broke the record of 20 held by Ken Anderson of Cincinnati. Montana's two touchdown passes give him a career-high 29 for the season, while Rice has caught a scoring pass in 10 straight games, one short of the NFL record.

Montana, the league's top passer, was 26 of 35 passing for 308 yards, including 19 of 22 in the first half.

The 49ers also came up with three second-half interceptions and

NFL ROUNDUP

a fumble recovery to thwart the Packers, who closed to 16-12 on Paul Ott Carruth's one-yard touch-down run in the third quarter fol-

lowing an interception by teammate Dave Brown.

Redskins 34, Cardinals 17: In St.

Louis, Jay Schroeder keyed a 21point third-quarter rally that gave

Washington its fourth National Conference Eastern Division title in seven vears.

Schroeder was eight of nine passing for 126 yards in that period as the Redskins produced three touchdowns in a span of 5:48. Schroeder ran for one and passed for another as the Redskins came from behind

for the second straight week.
Schroeder, who had thrown an
84-yard touchdown pass to Gary
Clark in the first quarter, was 13 of
25 passing for 235 yards, with one interception. He ran seven yards on a quarterback draw with 6:11 left in the third quarter to end an eight-

play, 71-yard drive.
The Cardinals' Derrick McAdoo fumbled on the ensuing kickoff and Dennis Woodberry recovered at the St. Louis 17. Three plays later, George Rogers, who had 134 yards, ran in untouched from six yards to put the Redskins on top, 24-17.

Colts 9, Browns 7: In Cleveland, Dean Biasucci kicked three second-quarter field goals and the Indianapolis defense preserved the victory by forcing a fourth-quarter fumble near its goal line. Biasucci, who has been good on

20 of 23 field goal tries this season, connected from 33, 37 and 41 yards on consecutive possessions in the second quarter, the last kick coming with nine seconds left in the half. The Colts' Eric Dickerson ran 27 times for 98 yards, which ended his

string of consecutive 100-yard games at four. Steelers 13, Seahawks 9: In The game-winning drive started Pittsburgh, Frank Pollard ran for on the New York 44 and was kept

the fourth quarter to help hand Seattle its second straight loss. The Steelers, relying on their running game to keep the Sea-hawks' offense off the field, also

were helped by two second-half turnovers as they kept their AFC playoff hopes alive.

covered for Pittsburgh.

Oilers 33, Chargers 18: In Hous-ton, Warren Moon, playing despite an injured shoulder, scored one touchdown and Robert Lyles returned a fumble, one of four that San Diego lost, 55 yards for another,

The victory put the Oilers in a tie with Cleveland and Pittsburgh for the AFC Central Division lead. The Chargers lost their third straight.

Moon, who did not throw a pass until pregame warmups, scored on a three-yard bootleg with 13:20 to play, then departed after completpiny, then departed awa complet-ing 13 of 24 passes for 186 yards. Mike Rozier, who left the game three times with injuries, scored on a one-yard run in the third quarter for the Oilers' other touchdown.

Falcons 21, Cowboys 10: In Irving, Texas, safety Robert Moore returned a fumble for a touchdown and set up another score with a second recovery as Atlanta ended a six-game losing streak.
The Falcons hadn't won since

the players' strike, while Dallas, playing before the smallest Texas Stadium crowd in Cowboy history, 40,103, lost almost all chance of

gaining the playoffs.

Rams 37, Lions 16: In Pontiac Michigan, Charles White rushed for 102 yards and two touchdowns and Jim Everett passed for a ca-reer-high 324 yards and two touchdowns as Los Angeles won its

fourth straight.
White, who has rushed for more than 100 yards in six games this season, including each of his last four, had two one-yard scoring runs in the second half.

Giants 23, Eagles 20 (OT): In East Rutherford, New Jersey, Raul Allegre, who had missed on two field goal mes, kicked a 28-yarder with 4:49 left in overtime to beat Philadelphia, whose John Teltschik set an

NFL mark by punting 15 times. 106 yards and scored the deciding going by Phil Simms's 36-yard pass touchdown on an 11-yard run in to Mark Bavaro, which put the ball at the Eagles' 20. Two runs by George Adams got the ball to the 11 and Allegre won it, after his team let a 14-point lead get away with less than four minutes to play.

Bengals 30, Chiefs 27 (OT): In Cincinnati, Jim Breech's 32-yard

field goal, his third of the game, atoned for an earlier blocked kick With Seattle leading, 9-6, and atoned for an earlier blocked kick driving late in the third period, and beat Kansas City with 5:16 to Paul Skansi fumbled after catching play in the extra period.

# Brown Wins Heisman; McPherson a Distant Second in Voting

By Robert McG. Thomas Jr. pose yards, well off his season aver-New York Times Service NEW YORK — Tun Brown, the

flashy Notre Dame flanker and kick-return specialist, has won the 1987 Heisman Award as the outstanding U.S. college football player, eclipsing his chief rival, Don McPherson, the quarterback who led Syracuse to its first undefeated regular season in 28 years. In balloting by the 1,050 voters,

most members of the sports news media, Brown received 1,442 points Saturday. McPherson came in second with 831 points, followed by Gordie Lockbaum, the two-way player from Holy Cross, 657; Lor-enzo White, the Michigan State running back, 632, and Craig Heyward, the junior tailback from Pittsburgh, 170.

Each ballot named three players with first-place votes worth 3 points, second-place votes 2 points and third-place votes 1. The trophy had been all but con-

ceded to Brown until the final two games of the season, when a midiling performance in a 21-20 loss to Penn State was followed by a dismal

age of 167.9 per game.

plished but not spectacular player, yards and 5 touchdowns. He led the element of timing was still in Syracuse to its first undefeated sea-Brown's favor because about a son since 1959 and its first major third of the 1,050 voters had sent in bowl bid in 23 years, the Sugar their ballots before the Miami game Nov. 28. The deadline for In the 1965 Sugar Swork, Syracuse voting was noon Friday.

Brown's coach, Lou Holtz, said Saturday there was a reason for the player's decline. He said that Brown had separated his right shoulder while practicing for the sixth game of the season, against Southern California, and had aggravated the injury during the game. Holtz said Brown had played thereafter in tremendous pain thereafter in tremendous pain.
The 6-foot (1.8-meter), 195-

pound (88-kilogram) Brown, a dazzling and clusive receiver who accounted for 1,847 all-purpose yards on 130 plays, helped Notre Dame attain an 8-3 record and a bid to the Cotton Bowl. He is the seventh Notre Dame player, but the first since John Huarte in 1964, to win the Heisman. The others were An-

The 6-foot, 182-pound McPherage of 167.9 per game.

Although that clearly gave a boost to McPherson, who has been widely regarded as a highly accomplished by regarded as a highly accomplished by the company alleged by the company alle

> McPherson was seeking to become the second Syracuse player to win the trophy, following Ernie Davis, who won in 1959, the last time the Orange had an undefeated season. Few colleges have pro-duced more than one Heisman winner. The others are Notre Dame Ohio State (5), Southern Cal Oklahoma and Army (3 each) and Yale, Georgia, Navy, Nebras-

lost to Louisiana State.

ka and Auburn (2).

This was the 53d trophy awarded by the Downtown Athletic Club (the first went to Jay Berwanger of the University of Chicago) and the 52d to serve as a memorial for John Heisman. He had coached at Auburn, Clemson, Georgia Tech and The Middies (2-9) were hurt less than two bours before game time when starting center Matt Felt and guard Joe Brennan were told they said accounted for only 97 all-pur
showing in a 24-0 rout by Miami.

gelo Bertelli (1943); Johnny Lujack club's athletic director and creating the new club's athletic director and creating the award in 1935, a year before his death at the age of 66.



Tim Brown, after receiving the 1987 Heisman Trophy.

## SCOREBOARD

# Selected U.S. College Results

FRIDAY'S RESULTS MIGWEST

AMOWEST

SOUTHWEST

Houston Baptist 66, Texas Luth Artzona 94, Long Beach St. 62 Nev-Los Vegos 113, Howelf-Hile Son Diego 61, Mentona 56 Son Jose St. 83, Chaminade 56

Bucknell 84, St. Francis (Pa.) 45 Buffelo 57, Buffelo St. 47 Fairleigh Dickinson 70, Maine 64 Georgetown 81, VAL 45 Harvard 74, New Hampshire 71 Holy Cross 97, Manhatton 87 Penn 66, La Salle 61 Princeton 69, Rutuers 49 St. Bonaventure 82, Canis St. Bonoventure \$2. Conisius 66 Vermont 77. Middleform (\*\*

West Virginia 75, Maryland 45 SOUTH Alabama 78, Southern Cal 69 Army 69, Citadel 64 Aubum 93, Vo. Commonwealth 80 Clemson 163, Mercur 68 Davidson 76, Bowling Green 79

MIDWEST Cincinnati 84, Miami (Ohio) 82 Dayton 88, N. Jawa 83 DePaul 76, Illinois St. 55 Duke 79, Northwestern 57

Illinois 111, Altes. Valley St. 73 Indiana St. 64, E. Illinois 63 Indianapolis 183, Illinois Wesley Iowa St. 83, Draka 77

#### National Basketball Association Standings

EASTERN CONFERENCE Atlentic Division 11 6 647 6 7 A62 4 11 267 4 11 267 2 12 .143 en fakt ei George Batton Philodelphia New York Washington New Jersey Central Division 12 5 706 — 10 5 467 1 10 5 467 1 WESTERN CONFERENCE . . . . . . . . . . . . .

17 34 22 25—43 Pertiond 28 24 27 14—85 Phoenix

Los Arigeles 29 24 27 14-85 Milheunible 29 24 27 14-85 Milheunible 29 24 27 14-85 Dresder 15-16 Bd 22, Sikora 6-12 9-21; John-Hodges 10-16 Bd 22, Sikora 6-12 9-21; John-Hodges 10-16 Bd 22, Sikora 6-12 9-21; John-Hodges 24 (Johnson 10); Milwouke 34 (April 14-12), Milwouke 24 (Monnion 6), Grever 9), Assists: Los Angeles 22 (Johnson 12); Milwouke 24 (Monnion 6), 31 25 27 15-95 Golden 5901e 39 25 27 17-116 Secrements 29 26 27 35-117 Dollos Aguirre 12-23 4-29, Biockmon 6-10 12-12-24; Balley 11-16-3-325, Majore 9-16-5-923; Thous Carroll 9-18-7-725, Floyd 7-14-5-97, Rebounds: Urbh 24 (Higopins, Carroll, Frank 6); Golden Stofe 42 (Higopins, Carroll, Frank 6); Golden (Clear) 15); Dollos 29 (Schrampf 14), Assists: Golden (Clear) 15); Dollos 20 (Higopins, Carroll, Golden (Clear) 24 (Higopins, Carroll, Golden (Clear) 25 (Higopins, Carroll, Golden (Clear) 25 (Hig

Florida St. 63, Penn St. 60 Furman & Wate Forest & Georgia Tech 78, Georgia Tech 78, Georgia 77
James Madigas SJ, Kent St. 51
Additor Form, 84, McNesse St. 69
Mississippi St. 86, W. New Mexico 56
Tennessee Tech 82, Santiert 80
Ventication 78, Mexic Virginia Tech &S. E. Tennessee St. 73

Grambling St. 69, St. Louis 66

Chicago 26 26 27 16—89
Denver 35 29 19 22—185
English 10-18 1-1 21, Schows 7-10 2-2 16;
Jordon 9-18-4-52. Corzine 5-12-4 15. Threath 612 3-4 15. Reboends; Chicago 37 (Oakley 18);
Denver 60 (Rosmusson 12). Assish: Chicago 19 (Poxson 6); Denver 24 (Adomts 7).
New York 26 22 18—92
Utoh
Boiley 14-17 3-4 31, Moione 7-20 5-12 19; Ewing 10-19 6-9 25, Wolker 6-12-22 14. Rebounds;
New York 61 (Ewing 16); Jubbis 2 (Madons 12).
Assish: New York 19 (Wilkins 5); Utoh 30 (Stockton 12).
Socremento 29 21 15 19—84 (Sinckton 12).

Socramento 29 71 15 19—84

L.A. Cilippera 18 27 25 33—86

Citypera 18-31-1 19, Dolley 9-151-2 19, Wandson

16-44 16; Thorpe 7-11 4-6 18, Theus 5-15-0-12.

Reshounds: Socramento 47 (Thorpe 11); Los

Angeles 42 (Cope 8). Assists: Socramento 24

(Edwards 11); Los Angeles 27 (Drew 7).

SATURDAY'S RESULTS

SATURDAY'S RESULTS

Cleveland 21 21 37 29—108
indicate 22 21 37 29—108
indicate 32 28 18 29—98
Doughert's 12-14-4-28, Hubbard 10-140-120;
Person 1:9 0-0 19, Long 8-13 8-9 16, Responds;
Cleveland 51 (Dougherty 9); Indicate 39 (Tiscoles, Shpanowich, H.Williams 6). Assists:
Cleveland 28 (Price 10); Indicate 24 (Personds);
Cleveland 29 (Price 10); Indicate 29 (Personds);
Cleveland 31 (Personds);
Cleveland 32 (Price 10); Indicate 29 (Personds);
Cleveland 32 (Personds)

Portional Phoesia: 29 22 39 35—315
Dresder 15-20 4-5-34, Submson 9-14-44-22; Nanco 11-16-6-9-23; Humphries 8-13-3-3 19, Reposeds: Perfland 44 (Kersey 8); Phoesia: 36 (Adams 8), Assists: Perfland 42 (Perfer 16);

SOUTHWEST Arkansas 53, 5W Missouri St. 47 Baylor 67, Oklohoma St. 55 Houston 65, Pan American 57 Memphis St. 60, Arkansus St. 59 Okiohomo 123, Lovolo (III.) 73 Southern Meth. 90, Alohomo S Cexas-Arlington 73, Idoho 61

FAR WEST Brigham Young 87, UCLA 80 Cant. Washington 84. Spattle Pacific 74 Fresto St. 61, Woshinston St. 60 Genzaus 75, E. Washington 63 Idaho St. 70, Air Force 58 Layote (Califl.) 130, Pacific U. 103 Minnesota 80, Calendo St. 61 New-Las Vesas 120, Hawoii Las 47 New Mexico St. 92, N.Mex.Highlands 50 Oregon St, 74. Portland 62 Utah St. 74, Utah 70, 20T Washington 77, New Mexi

TOURNAMENTS ALFRED CHARITY CLASSIC Affred 72, Lehmon 56 Catholic U. S., W. Connecticut 73 Champiosship: Catholic U. 90. Affred 88. OT AMANA-HAWKEYE CLASSIC First Round

Cal-tryine 79. Jacksonville 76 Champiouship: Iowa 124, Cal-Irvine 88 Teirti Piace: Jacksonville 69, Novy 64 APPLE INVITATIONAL

Brown St. Texas 77
Stontord St. William & Mary 64
Championship: Stontord St. Grown 78
Third Place: Texas 78, William & Mory
CARRIER CLASSIC Syracuse 111, South Fiorida 65 use E7, TCU 58

Pirst Report
Miorni (Fig.) %. Colgate 68
South Carolina 12, 5. Illinois 77
Champiaeship: South Carolina 74, Miorni 63
Third Place: S. Illinois 105, Colgate 78 CORNNUSNER CLASSIC First Reund Nebrosko 71, Lehigh 66 Ohio St. 64, Boll St. 42 Championship: Chio St. 72, Nebrosko 63 Third Place: Lehigh 72, Boll St. 64

JOWERS JAMBOREE Texas A&A 72, Stephen F.Austin 67 Texas Southern 85, SW Texas St. 88 Chemplostable: Texas A&A 85, Texas So, A4 Third Place: S.F. Augtin 79, SW Tex. 51, 76, OT

JUMBO INVITATIONAL KACTUS KLASSIC

Arizong St. VI. San Diego St. 48
Richmond 64, Tuise 60
Championsiste: Richmond 76, Arizong St. 63
Thard Pleate: Tuise 67, San Diego St. 39
LSU INVITATIONAL
First Round
LSU 36, Nicholis St. 62
Southern U. 98, Centengry 96
Championsiste: LSU 98, Southern U. 77
Third Place: Castengry 67, Nicholis St. 63
LDPATA CLASSIC LOPATA CLASSIC

31 29 41 25—126 W. Hilnols 76, U.S. International 56 39 28 29 33—117 Championship: W. Hilnols 77, Akran 73 Third Place: U.S. International 82, Rice 61 METRO MOBILE
FIRST ROYAL
HOWARD U. 47, WIS-Green Boy 36
TEKAS-El Page SJ. N. Illinois 55

Championship: Texas-Ei Paso 73, Hönard 56 Third Place: Wis-Green Bay 71, N. Illinois 67 PEPSI-MARIST CLASSIC First Room Morist 80. Brooklyn Col. 53

First Round Lotovette 70. Yola 56 Seton Holl 93, Wogner 52 5HOW MAE CLASSIC

WHALING CITY

Semificats
Salve Regina 74, Bridgewaler, Mass. 72, OT
Williams 79, Hoverland 57

# Hockey

Smytha Division

15 8 4 34 131 101

15 10 2 32 124 99

12 12 1 25 95 108

9 14 3 21 89 100

15 7 16 4 18 104 122

U.S. College Results FRIDAY'S RESULTS

Chicase 6 6 5 5 5 5 5 Detroit 6 3 3 3 12 Higgins 3 (3), Yzerman 2 (18), Marphy (5), Klimaz 2 (14), Ashion (10), Probert (11), Chicason (1), Gallont (10). Shets as good: Chicago (an Shefan) 7-1-11-19; Detroit (an Mason, Panel 3 14.5 45

SATURDAY'S RESULTS Phisographic (6), Quinn 2 (7), Lemieux (22), Col-iander (5), Lemieux (23); Skrika (7), Coxe (4), Tambellini (6), Skots on goal; Vancouver (on Melache) 6-10-10—28; Pilisburgh (on

McLean) 14-5-14-36. 1111 Cote (2), A.Stostov (10). J.Brown (8): Wo-lonin (2), Mother (7), Shots on pool: New Jer-sev (on Gosselin) 47-19—21; Quebec (on Somuelsson (1), Williams (3); Sheppard (12). Shels on pool: Buffold (on Liut) 5-5-11-12: Hartford (on Borrasse) 128-12-32 Las Angeles 1 1 1-4 Machred (11), Richer (18), Lemieux (10), Robinsch (4), Chellos (9), Corbonnegu (6);

# European Soccer

Valencia I, Sevilia I
Cadiz I, Escañol I
Points: Real Madrid 23; Attetica de Madrid
19; Real Sociedad 17; Barcelona, Celta, Alti-letic de Bitboo, Volladalid 15; Zarogaza, Oso-suna, Cadiz, Volencia 14; Gilon, Sevilia 12;
Escañol 11; Betis, Maltarca 18; Murcia, Los Palmas 9; Lagranes 7; Sabadeli 3, ENGLISH, FIRST DIVISION Aracand 3, Swiffed Wednesdov I

Derby I, Warner I Luton I, Norwich 2 Oxford I, Newcostle 3 Portsmouth 0, Coventry 8 Queen's Park 0, Manchester United 2 West Hom 2, Southampton I Wimbledon I, Notinoham Forest 1

Manaco 9, Mantpellier D Connes 3, Le Hovre 8 Pelets: Manaco 32; Bordeaux, Matra Roc-ing 28; Saint-Ethenne 25; Marsellie, Connes 25; Narnes, Auxere 24; Montpellier, Metz 22; Toulon 21; Laval, Niort, Toulouse 20; Nice 19; Lille, Paris St-Germain, Lens 18; Brest 15; Le Havre 14.

WEST GERMAN FIRST DIVISION
Bayer Laverkusen 2. Homburg 1
Homover 3. Schoke 1
Worder Bremen 2. Kortsruhe 6
Kolserskustern 3. Cologne 8
Woldfarf Monnheim 1, Borussia Dortmund 0
Nuremberg 1, Shiftgarf 0
Bochum 1, Sintrocht Frankfurt 0
Bor. Mönchenglagboch 4, Bayer Uerdingen 2
Homburg 2, Rousen Assaulch 2

FRENCH FIRST DIVISION

Saint-Etlenne 1 Nice 2 Matra Racing 2 Nontes 2 Niort 8, Taulquee 8

Lille G, Auxerre 1 Brest G. Paris Si-Germain 0

American League
BOSTON--Placed LaSchalle Tarver, out-Reider, on waivers for the purpose of piving him his unconditional release.

CALIFORNIA—Signed Greg Minton, pitch-

RC League.

BASKETBALL

Notional Busketbull Association

PHILADELPHIA—Placed forward Honsi

Good of West Germany on the suspended its for the remainder of the season for billing to procure necessary immigration papers. FOOTBALL National Papers, FOOTBALL National Facthell League MIAMI-Signed Jim Huddleston, offensive suckle, on injured reserve. Activated Mark Dennis, affensive tackle, from Injured reserve. PHILADELPHIA—Piaced Alongo Johnson, limbarcher, on the reservation for injured.

son, linebacker, on the reserved non-football injury-liness list. ST. LOUIS—Placed Earl Farrell, fullback, and Curits Greer, defensive end, as injured reserve. Activated Jay Novaces, tight end and David Galloway, defensive end, from ininter reserve.
WASHINGTON—Activated Brian Davis, cornerbock-Placed Clarence Vaushn, safety,

cornerback. Placed Clarence Vaushin, safety, on Injured reserva.

MOCKEY

Marilenal Hockey League

LEAGUE—Sussended Buffalp defenseman Allice Romsey etait somes for incurring a marks penalty in a stick-swinging incident during a same Dec. 3 osainst Quebec.

NEW JERSEY—Assigned Gord Mark, delenseman, to Utica of the American Hockey League. PHILADELPHIA—Troded Mike Stothers defensement to Toronto for future considerations. Signed Alain Lemieux, center, COLLEGE

COLGATE - Named Michael F. Folay ignthall coach. HARDING—John Prock, faotball coach, reigned,
INDIANA—Extended the contract of Bill
Adilory, football coach, through June, 1992.
AISSOURI SOUTHERN—Named Charles

SOUTHERN MISSISSIPPI-Jim Cormody, 13, Brigiste Oertil, Switzerland, 1:23,68.

14. Heidi Zurbriegen, Switzerland, and Lay-

# Jabbar's Double-Digit Run Lasts a Decade, 787 Games Points: Liverpool 42; Arsenal 33; Queens Park 32; Nothingham Forest 31; Everton 30; Manchester United 29; Cheisso 26; Wimble-den 25; Derby County 24; Southampton 22; West Ham, Tottenham, Oxford 22; Luton, Newcostle 21; Coventry 20; Shelfield Wednes-

MILWAUKEE - Kareem ebrate the man. Nobody's ever Abdul-Jabbar was typically stoic going to do it again." after his 10-year streak of dou-

ble-figure scoring was broken games with 10 points in 1986-87 Friday night in the areas where his remarkable career began an overtime contest against After 787 games of scoring in double figures, the National Basketball Association's career scoring leader was held to seven points as the Los Angeles Lakkee Bucks

"I wasn't aware of it," he said "That's life -it wasn't going to last forever. I wish we had won the game. It would have made it a lot easier to deal with." Abdul-Jabbar made only 3 of 10 shots in 32 minutes after

throw line. The last time the 7-foot-2 (215-centimeter) center did not hit double figures was early in the 1977-78 season when he was Milwaukee's double-teaming deejected from a game in Milwaukee — the city where he launched his NBA career and helped the Bucks to their only world championship - for

the final 3:11 of Friday's game.

# that he wasn't looking for it. He "He kept playing team basket-wanted to win the game," said ball," said Riley.

punching Kent Benson. "I think it's a credit to him

extended the streak with a basket with a minute left in the extra period. The streak put Adbul-Jabbar ers lost, 85-83, to the Milwau- in a dimension all his own. The

Milwaukee on Nov. 22, when he

Laker Coach Pat Riley. "I'd cel-

Abdul-Jabbar had four

next longest for double figures was Moses Malone's 526 games, from Nov. 4, 1978 to March 4, Abdul-Jabbar, 40, is in his 19th NBA season. He is expect-

ed back for at least one more. He was averaging 15.6 points picking up three first-half fouls. He was 1-for-2 from the free Riley wasn't awar Riley wasn't aware that the streak was about to end. Even if he had been, he might not have been able to do much about it

> trouble scoring at all against Riley said Abdul-Jabbar would not have started forcing shots even if he'd been aware of the threat to his streak. Abdul-Jabbar, in fact, did not shoot in

# Swiss Downhiller Bournissen Surprise Winner Over Kiehl

The Associated Press VAL D'ISERE, France -- Chantal Bournissen of Switzerland scored an upset victory Saturday in a wornen's World Cup downhill race, beating West German Marina Kiehl by 13-hundredths of a second. Bournissen, 20, competing in her second cup season, was timed in 1

WORLD CUP SKIING minute, 22.64 seconds on the 2,199meter (7,210-foot) course.

Kiehl, a super-giant slalom spe-cialist, was just under two-tenths of a second ahead of teammate Ulrike Stangassinger, who was clocked in 1:22.94. Warm temperatures overnight

gave the early competitors - including many of the favorites - a difficult time. But a sudden drop in temperatures then made the course faster, and Bournissen, who started 36th and Stangassinger, who started 50th, profited.

Maria Walliser of Switzerland, winner of Friday's downhill, finished with a time of 1:23.77, well behind the leaders.

Bournissen's best finish last seaofball cooch, resigned.

WESLEY-Bob Andrus foofball cooch, reSon was 23d in the McIlan, Austria, downhill. But she did well in training runs here and finished 10th in Friday's race.

On Saturday the rapidly dropping temperatures played havoc with the results, leaving relative unknowns sprinkled in the top 10. Deborah Compagnoni of Italy finished fourth in 1:22.97 after starting 46th. Canadian Karen Casey was next in 1:23.01,

Soviet skiers made a dent by placing sixth and tenth with Golnur Postnokova clocking 1:23.03 and Olga Kuratchenko 1:23.36, respectively, both starting in the second group.

Michela Figini of Switzerland, second in Friday's run, could only manage ninth place, in 1:23.27, but fared better than other favorites Laurie Graham of Canada, who tied for 14th, and Walliser, who wound up 17th. ■ Men's Downhill Postponed

Thick fog and heavy snow forced World Cup organizers to postpone a men's downhill race Sunday, The Associated Press reported from Val d'Isere. The event is scheduled for

Monday. The race was to be the season's first downhill, after a slalom and giant slalom. Alberto Tomba of Italy, the winner of both those races, has the overall cup lead with 50 points.

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100

Basketball

Konsos 62, 52. John's 54 Konsos St. 88, Creighton

Kontucky 82, Indiana 76
Marquette 57, Xavier (Ohio) 61
Michigan 97, Cent. Michigan 67
Notre Dome 69, Louisville 64
Purdue 58, Oregon 62
Talada 61
Debath 68 William Penn 78. lowa Weslevan 75

LOPATA CLASSIC
First Rosted
Cloremont-Mudel 22, Amberst 78
Wushington (Mo.) 96. Sworthmore 56
Clossopieasthis: Washington 86. Clore-M 73
Taird Piece: Amberst 81, Sworthmore 53
AMANUFACTURERS MANOVER CLASSIC
Pirst Rosted
Orexel 89. American U. 78
Icon 98, Long Island U. 85
Chompdonshis: Drexel 99, Iona 82
Third Piece: American U, 79, L1U 66
MARSHALL, MEMORIAL is: Marshall (2 E. Kantucky 6) Championship: Morandii ez E. Kanucky vi Third Piace: Youngstown \$1.54. \$E La. 51 MCDONALD'S CLASSIC

First Round Alchigan 75, Alcorn St. 67 Jourt 74, N. Texas St. 56 Championship: Missouri 77, E. Mich. 75, 20T Tighto Piage: Alcara St. 70, N. Texas St. 64

Connecticut Col. 93. Nichols 76
Elmira 82. Caast Guard 69
Championshile: Elmira 65. Connecticut Col. 63
Tetra Piace: Coast Guard 81. Nichols 70
WILLIAMS INVITATIONAL

**National Hockey League Standings** ALES CONFERENCE

Patrick Division

W L T Pts
W WALES CONFERENCE

Adams Division

17 7 6 40 117 89

17 10 2 34 113 190

18 12 4 24 93 199

11 13 1 22 93 194

9 12 4 22 78 84

AMDRELL CONFERENCE

Triphina.

Triphina.

Mitinesotts

Colgary

Ciccorelli (14), MacLellan (5), Blogstod 2

Ciccorelli (14), MacLella St. Louis 1 1 0-2 Patrick (4), Mullen (11), Ogradnick (8); Benning (2), Flackhori (5), Stots on goei: New York (on Mullen) 12-148-24; Si. Louis (on Froese) 8-7-9-24.

FRIDAT'S RESULTS

N.Y. Islanders

2 8 3—4
Washington

2 0 2—4
Suffer (10), Mokela 3 (14), Diduck (1), Fishlev (4); Phanka (2), Gustelsson (7), Hunter (8), Adams (5), Sbots on goel; New York (on Molarchult)

13-14-14-34; Washington (on South 15-14-14-34;

Crowder 3 (9), Neely (15), Larson (3), Sweeney (11), Burridse (13); Garaner (1), Volve 2 (20), Shafts on teath; Chicosa (on Le-melin) 8-7-4—19; Boston (on Pond) 18-14-7—

# SPANISH FIRST DIVISION Barcelona 4 Murcia 1 Betts 1, Real Sociedad 3 Celta 1, Valladalld 1 Logranes 1, Real Madrid 3

Charlton 1, Everton 0

Liverpool 2, Chelseo 1

BAST SOUTH Appolachion St. 19, Georgia Souther Marshall St. Weber St. 23 Mismit (Fic.) 20, South Carolina 16 NE Louistana 21, E. Kentucky 32 Tray St. 31, Cent. Florido 10 Wasner 20, Emary & Henry 15 MIDWEST

# Arkansos 38. Howeil 20 Mesa (Cala.) 32. S. Oregon 7 Pac. Lutheron 17, Baker 14 Partiand St. 12. N. Michigan 7 World Cup Skiing

WOMEN'S DOWNHILL

SOUTHWEST

Chantal Bournissen, Switzerland, 1:22.64 Marina Kiehl, West Germany, 1:22.77 Ulrike Stangassinger, West Germany 3. Dirite Strangensinger, West Cermany, 1:22.94.
4. Deborah Compagnani, Italy, 1:22.97.
5. Kellie Casey, Canada, 1:23.01.
6. Gafnur Pashikova, Soviet Union, 1:23.03.
7. Sigrid Wolf, Austria, 1:22.10.
8. Kerrin Lee, Conada, 1:22.25.
9. Michela Flighin, Switzerland, 1:23.27.
10. Otga Kurotchenka, Soviet Union, 1:23.27.
11. Sheele Missealariner, West Germany.

1:23.53 12 Pom Fisicher, U.S., 1:23.64

western Carolina—Amounced that Herb Krusen will continue as interim basket-ball coach for the rest of the Season.

### **POSTCARD**

# Tepee Jokes and Bingo

By Nick Ravo New York Times Service

FEDYARD, Connecticut — The tepee jokes elicit only strained smiles from most residents on the Mashantucket Pequot Indian Reservation. Tribe members hear them often from tourists and out-of-

"A lot of people come here, and they say they expect to see tepees," said Sue Whipple, a Mashantucket Pequot who lives here with her husband and three children in an attractive cedar-shingled, two-story

"I guess they are expecting some-thing more traditional out here," said Ruth Thomas, a property specialist in the tribal office who lives a few blocks away in a town house.

This prosperous reservation, home to about 110 Mashantucket Pequots, hidden in a thick forest of pine and maple about 20 miles northeast of New London, shatters all of the century-old stereotypes and many of the present-day depic-tions of how American Indians live.

The tribe's 1,600 acres don't look anything like the desolate plains of poverty that serve as reservations in parts of the West. Rather, they resemble an affluent suburban subdivision. Many residents here live in modern split-level homes that tribe officials say would cost up to \$150,000 on the open market. Basketball hoops hang over driveways. These days, the shrubbery is bejeweled with Christmas lights.

The reservation, which was established by the Connecticut colony in 1667 but not recognized by the federal government until 1985. is considered one of the most affluent in the nation. There is virtually no unemployment, compared with 38 percent nationally for reservations, and an annual budget of \$4

million, about \$36,000 per resident. Mashantucket Pequot officials attribute their good fortune to several factors: the availability of fedaral housing funds, proximity to the Electric Boat shipyard in Groton, the success of several small tribe-owned businesses, including a Mr. Pizza restaurant and a sand and gravel pit - and high-stakes

Once one of the most powerful Indian nations in New England, the Mashantucket Pequots are perhaps best known for being almost wiped out in 1637 in an attack by ton.

allies near Mystic. In "Moby Dick," Herman Mel-ville named Captain Ahab's ship the Pequod in honor of a "celebrated tribe" that became "as extinct as the ancient Medes." Some scholars also believe that the first Thanksgiving was celebrated in Connecticut by colonists not to express grat-itude for the blessings of food, but to give thanks for all but annihilating the tribe.

There aren't too many people left who can speak the language," Thomas said.

Anyone who can prove ancestry of at least one-sixteenth Mashantucket Pequot can be admitted to the tribe and live on the reserva-tion. Under tribal law, the reservation owns the land and lends or leases it to residents.

Even so, many refer to their plot as being in their family for genera-tions. "This was my grandmother's land a hundred years ago," Whipple said. "She always wanted for us to stay and hold onto the land, like

NOTHING has done more for the reservation lately than bingo. The game started in July 1986 and is taking in about \$10 million a year, providing about \$2 million half the tribe's income - in profit. Every day but Tuesday and Wednesday, 800 to 1,000 people arrive here, often by chartered bus from as far as New York and Maine, and pay \$25 to \$150 for admission into the reservation's

\$4.6 million bingo hall. There, they spend up to five hours blotting out letters and numbers on scorecards, hoping to win anywhere from \$50 to \$2,000 per game, and occasionally more.

Two weeks ago Lorraine Mikolinski, a housewife from Cheshire, won \$22,000. "I really went bananas," she said.

Then there are the door prizes. Cars. Boats. Trips to Acapulco. There also is a chance at the money machine, an eight-foot-high glass box that blows around dollar bills while contestants stick in their arms and try to grab as much cash as they can in 15 seconds. Each dollar bill can be redeemed for \$20.

Church-hall bingo this is not. "It's addictive," said Catherine Heath, a book-keeper from Pres-

# Ron Wood, **Rolling Artist**

By Richard Harrington

Washington Post Service
WASHINGTON — Ron
Wood's major influences include Bo Diddley, Rembrandt,
Chuck Berry, Michelangelo,
Howlin Wolf, and the Turners, Big Joe and J.M.W.

Which helps explain Wood's utilizing what he calls "this break" from the Rolling Stones to lay down his guitar and pick up a paintbrush or a piece of charcoal. In fact, Wood has been "doing art" since his undergraduate days in the early '60s at London's Ealing School of Art where, he says, "I did my A-Level degree on the Renaissance period."

Two older brothers who had started out as musicians ended up as commercial artists. But Wood went the other way. While still in art school, he became involved in the city's burgeoning blues and R&B scene as groups like the Yardbirds (which he declined to join in 1968 when they evolved into Led Zeppelin) and the Rolling Stones (with which he linked up in 1975)

Now 40, Wood started playing guitar at age 8. By 1964, he had formed his first group, the Thunderbirds. He joined the Jeff Beck group in 1969, moved with the singer Rod Stewart to the Faces a couple of years later, became a temporary touring Stone in 1975 and settled in as the group's lead guitarist in 1977.

"But I never stopped sketching my fellow musicians or the interesting people I'd come across," he says. Sketching, Wood points out, can fill up a lot of dead time on the road. "It's a good emotional outlet, like strumming on the gui-tar is, or banging the drums. It's another outlet with great reward

Indeed it is. Wood received a \$100,000 advance from Harper & Row for "Ron Wood by Ron Wood," a paperback collection of his art works interspersed with chatty autobiographical anec-dotes. Earlier this year, he had a successful show at Christie's

Contemporary Gallery in London — a real feather in the cap, a real stamp of approval" — and he's since had several shows in the United States, including a month-long exhibit that just opened at the Govinda Gallery in Washington.

Wood had a small show in Texas three years ago that alerted people to his other "career," and he says the current gallery tour is "long overdue. I would have kept putting it off had the Stones not had the break but I thought, well, I'm not going to sit around and do nothing. Why not see how it

Prices range from \$10 for unsigned, printed posters, \$300 to \$600 for limited edition prints and up to \$6,000 for watercolor portraits. The Govinda show leatures 20 works, including six of his "Decades" silk-screen prints and drypoint etchings of such music figures as Big Bill Broonzy, James Brown, Little Richard and Billie Holiday. With four kids, Wood can

probably use the money. Although he's been playing with the Rolling Stones since 1975, he was just a salaried musician until 1983. Unfortunately, just about the time Wood was made a full member, the band stopped touring and its future remains somewhat cloudy. "We haven't done much in that time," Wood notes.

These days, the Stones' classic riffs have turned to rifts. Mick Jagger and Keith Richard have been sniping at each other in the press, with Bill Wyman chiming in with an anti-Mick remark now and then, Jagger is insisting on a solo career (his second solo alburn is floundering in the charts), while Richard is finally at work on his first solo flight and various film projects. Charlie Watts is drumming in a British all-star big band he put together, and bassist Wyman is working on a Stones

A couple of years ago, Wood went back to art school in San "We're just waiting for Mick to come back to the pack," says Wood, who's often been forced

anything."

Artist Wood with his wife, Jo. concentrating on dry-point etching and the silk-screen process. "I still love oil painting the most, but I don't do enough of that," he says. "So I'm going to get into that next year with big canvases."

His oil subjects, Wood says, are "ordinary people." He says he doesn't want to get locked into doing celebrity portraits — "I don't get bored with it but I do want to show another side of Renaissance man he may be.

but he can't do everything at once: He's had to postpone his fifth solo album until next year, though he's already done a lot of work on it with Bobby Womack (whose "It's All Over Now" was the Stones' first American hit), Johnny Marr, Simon Kirk and Kristy MacColl "When I've done Francisco to study woodcuts and monotypes, and last year he was tutored by Bernard Pratt in Kent,

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# LANGUAGE

# Field Checks and Traps

By William Safire

WASHINGTON — The lan-W guage of clearance — specifically, the lingo of obtaining prior senior White House official gnage of clearance — specifiapproval — has never been examined by scholars. That vacuum in philology will be filled today.

Check him out is the command graffed by top executives to aides before an appointment is made or a nominee is announced. "Will he pass a full field?" asks an assistant."

This is a shortening of what the Federal Bureau of Investigation calls a full field investigation, an inquiry that is run on all presidential appointments and on people permitted to see classified information. It can occupy agents in all 59 field offices and take up to a month, is in contrast to one of their quick looks, which is called a name check, and is run for some federal agencies as well as state and local governments.

Let us assume the intent is to check political, rather than security or criminal, considerations. When Frank Mankiewicz, then a key aide to the Democratic presidential candidate. George S. McGovern, was asked to check out Senator Thomas F. Eagleton, he did not say, as reported, "Are there any skeletons in the closes?" Instead, he asked. Have you done anything that you think could give us trouble?" (a procedure he described as casting a

Mankiewicz reports that the phrase he now hears is scope him out, perhaps derived from a radar

In advertising, pretesting (redun-dant) was described as running it up the flagpole to see if it salutes, presumably meaning to see if the emblem rated a salute. And in bureau-cratese, the standard verb phrase for absolute prior approval is sign

In politics, however, one colorful slang phrase, used frequently by insiders, rarely sees the light of print: run the traps. It has a general meaning of "survey those in the know," and when I asked then-Navy Secretary John F. Lehman Jr. if he had heard of some development, he said, "Beats me, but I'll

run the traps and get back to you."

The phrase is filling a void in clearance lingo. In The Washington Post, David Hoffman and Lou Cannon wrote about a hasty selection of a press officer by Nancy

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Reagan and U.S. Information Agency Director Charles Z Wide when the appointment stirred to saying. "It was done quickly

without running the usual trans For aides concerned with cha ance, run the traps means "the for opposition and support," with second meaning of "vet this pote tial appointer's resume for crasses ations and errors."

The origin is from hunting a trapping: a trapper, checking traps in the morning to see if a animals were caught, is said in running the traps, in the sense running over, or examining the status. The political usage is a man ral extension of the metaphor. A caveat: do not use running: traps when you mean rante cages. The latter trope, taken is a zoo term, means "ask him so thing controversial to see how

LN A TELEVISED debate, D. ocratic presidential candid Richard A. Gephardt suggesthat the government of South A ca be warned, just as the So Union had been warned in Afgh istan, that "we're sending arms the Afghan rebels." Asked if meant that we should threates arm the African National Coner in South Africa, he replied, "

This Latin term, pronounc pur-SAY, means "by itself; in a of oneself, alone." First to use it English was Archbishop Jos Whitgift in 1572: "For they belo unto God properly and per se man per accidens." That used per to mean "essentially, intrinsical without reference to anything es — if you prefer, "stand-alone" and per accidens to mean "indire

ly, by accident." The meaning is broadening political use. When the congre man replied, "Not per se," he o not mean precisely not in and itself"; more likely, he meant "r exactly," or "that's not quite it." "don't pin me down on that." A: get-out-of-trouble word, the Lan ism has a scholarly ring, and w its meaning slipping old moons we can expect to hear it fuzz debates for years to come.

New York Times Service

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into the role of mediator within

the group. "I'll give it a year or

two." As to whether the Stones

will ever tour, much less record

together again, Wood sighs. "I wish I could say for sure. People

want to know, don't they?"
Meanwhile, Wood is juggling

his art openings and book sign-ings with "The Gunslingers

Tour," a collaboration with Bo

Diddley. "It's been going great,"

Wood says. "The shows are get-

ting better and better. He calls me

Brother Ron Wood of the Roll-

ing Stones' and I introduce him

as 'Brother Bo Diddley of Him-

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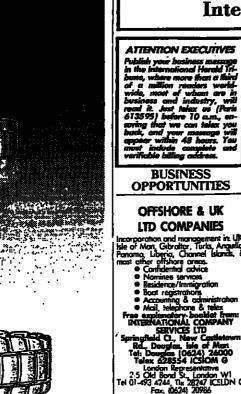


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